June 2010

FOREIGN ASSISTANCE

USAID Needs to Improve Its Strategic Planning to Address Current and Future Workforce Needs

GAO

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Report Documentation Page		*Form Approved* *OMB No. 0704-0188*

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1. REPORT DATE **JUN 2010**	2. REPORT TYPE	3. DATES COVERED **00-00-2010 to 00-00-2010**
4. TITLE AND SUBTITLE **Foreign Assistance: USAID Needs to Improve Its Strategic Planning to Address Current and Future Workforce Needs**		5a. CONTRACT NUMBER
		5b. GRANT NUMBER
		5c. PROGRAM ELEMENT NUMBER
6. AUTHOR(S)		5d. PROJECT NUMBER
		5e. TASK NUMBER
		5f. WORK UNIT NUMBER
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) **United States Government Accountability Office,441 G St NW,Washington,DC,20548**		8. PERFORMING ORGANIZATION REPORT NUMBER
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)		10. SPONSOR/MONITOR'S ACRONYM(S)
		11. SPONSOR/MONITOR'S REPORT NUMBER(S)

12. DISTRIBUTION/AVAILABILITY STATEMENT
Approved for public release; distribution unlimited

13. SUPPLEMENTARY NOTES

14. ABSTRACT

15. SUBJECT TERMS

16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT **unclassified**	b. ABSTRACT **unclassified**	c. THIS PAGE **unclassified**	**Same as Report (SAR)**	**58**	

Standard Form 298 (Rev. 8-98)
Prescribed by ANSI Std Z39-18

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Highlights

FOREIGN ASSISTANCE

USAID Needs to Improve Its Strategic Planning to Address Current and Future Workforce Needs

Why GAO Did This Study

The U.S. Agency for International Development (USAID) oversees U.S. foreign assistance programs in more than 100 countries. In 2003, GAO recommended that USAID develop a comprehensive workforce planning system to better identify its staffing needs and requirements. Key principles for effective strategic workforce planning are important to an agency's ability to carry out its mission. GAO examined (1) changes in USAID's workforce and program funding since 2004, (2) the extent to which it has developed a strategic workforce plan, (3) the efforts it has taken to implement two key human capital initiatives, and (4) the challenges and constraints that affect its workforce planning and management. To conduct the work, GAO analyzed staffing and program funding data; reviewed documentation related to the agency's workforce planning; and interviewed officials in Washington, D.C., and at six overseas missions selected to obtain an appropriate mix of geographic coverage, programs, and workforce size and composition.

What GAO Recommends

GAO recommends that USAID take several actions to develop more comprehensive workforce plans and improve its workforce data. USAID concurred with GAO's findings and recommendations.

What GAO Found

USAID's workforce declined 2.7 percent from 2004 to 2009. While the decline is primarily due to decreases in the number of U.S. and foreign national personal services contractors, these staff continue to comprise the majority of USAID's workforce. Over the same period USAID's program funding increased 92 percent to $17.9 billion. USAID also faces some workforce gaps and vacancies at the six missions visited by GAO. Mission officials cited recruiting difficulties and the need for staff in priority countries, such as Iraq and Afghanistan, as factors contributing to these vacancies. According to mission officials, it is not uncommon for positions to remain vacant for a lengthy period. During this time staff may assume multiple responsibilities and accept additional workload, which present some challenges in the agency's ability to manage and oversee its activities. For example, workforce gaps and heavy workload may limit mission staff's ability to travel to the field to monitor and evaluate the implementation of projects.

USAID's 5-year workforce plan for fiscal years 2009 through 2013 discusses the agency's challenges and the steps it has taken and plans to take to strengthen its workforce. However, the plan lacks several key elements that GAO has identified as critical to strategic workforce planning. For example, the plan generally does not include a major portion of USAID's workforce—U.S. and foreign national personal services contractors. In particular, it is not comprehensive in its analysis of workforce and competency gaps and the staffing levels that the agency requires to meet its program needs and goals.

USAID has taken actions to implement two key initiatives specified in its workforce plan—a workforce planning model and expansion of its Foreign Service—but it generally lacks documented plans to help ensure they are implemented successfully. For example, USAID implemented the workforce planning model to project its workforce and budgetary needs, but it has not developed plans for providing all missions comprehensive information about the model and its projections to inform missions of how it will affect their workforce planning. In addition, USAID has not fully met its Foreign Service hiring targets nor developed plans for how it will meet its hiring goals, and it has not planned the required overseas training assignments for all new hires to help ensure that missions have the necessary resources and mentors.

USAID faces several challenges in its workforce planning and management. First, USAID lacks a sufficiently reliable and comprehensive system to record the number, location, and occupation of its staff. Second, according to mission officials, operating in an uncertain environment with shifting program priorities and funding can make it difficult to ensure that missions have the staff available with the necessary skills when needed. Third, the processes USAID must use to plan for the placement of its overseas staff require coordination with State; however, USAID has not consistently developed and shared its plans for the numbers and specific locations for these assignments.

_____ **United States Government Accountability Office**

Contents

Abbreviations

FSO	Foreign Service Officer
OHR	Office of Human Resources
PASA	Participating Agency Service Agreement
RSSA	Resource Support Service Agreement
USAID	United States Agency for International Development

June 30, 2010

The Honorable John F. Kerry
Chairman
The Honorable Richard G. Lugar
Ranking Member
Committee on Foreign Relations
United States Senate

The Honorable Robert Menendez
Chairman
Subcommittee on International Development
    and Foreign Assistance, Economic Affairs,
    and International Environmental Protection
Committee on Foreign Relations
United States Senate

The Honorable Daniel K. Akaka
Chairman
Subcommittee on Oversight of Government, Management,
    the Federal Workforce, and the District of Columbia
Committee on Homeland Security and Governmental Affairs
United States Senate

The United States Agency for International Development (USAID) is the
primary agency for managing U.S. international development and
humanitarian assistance efforts worldwide. Over the past decade, various
events have shaped U.S. development and humanitarian assistance,
including terrorism and large-scale reconstruction efforts in Iraq and
Afghanistan. The foreign assistance programs that USAID's workforce[1]
currently manages in more than 100 countries are designed to help achieve
long-term development, respond to humanitarian emergencies, and rebuild
countries that have experienced violent conflict. According to GAO and
USAID Office of Inspector General reports, staffing and workload have
been major challenges to USAID's ability to manage U.S. humanitarian and

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[1]We define workforce based on USAID's definition of its core workforce, which consists of
four distinct groups: (1) U.S. Foreign Service direct hires; (2) U.S. civil service direct hires;
(3) U.S. personal services contractors; and (4) foreign nationals and third country
nationals, which can be either direct hires or personal services contractors.

development assistance efforts.[2] In particular, in 2003 we recommended that USAID develop a comprehensive workforce planning and management system to better identify staffing needs and requirements, to which USAID responded that it was undertaking efforts to improve its workforce planning.[3] Effective strategic human capital management and workforce planning would help USAID deploy staff with the right skills, to the right places, at the right time to meet foreign assistance program needs and goals.

To address your interest in USAID's workforce planning and management, we examined the (1) changes in USAID's workforce and foreign assistance program funding since 2004; (2) extent to which USAID has developed a strategic workforce plan; (3) efforts USAID has taken to implement its primary human capital initiatives; and (4) challenges and constraints that affect USAID's workforce planning and management.

To address these objectives, we analyzed relevant documentation, including USAID-generated workforce data for fiscal years 2004 to 2009, and USAID's strategic workforce planning documents. We have assessed these data as part of our previous and ongoing work and have determined that they are sufficiently reliable to identify aggregate workforce trends over time; although, for other purposes, we found limitations to the reliability of USAID headquarters data on the agency's headquarters and overseas personnel as discussed in this report. We interviewed knowledgeable USAID officials representing management, functional, and regional bureaus in Washington, D.C., and conducted fieldwork at six overseas missions in Cambodia, Ecuador, Kenya, Peru, Rwanda, and Thailand. We selected a nonprobability sample of countries designed to ensure geographic diversity and variations in program funding levels and workforce size and composition. We did not select locations to be able to generalize findings to all missions, but rather to obtain a mix of geographic coverage, programs, and workforce size and composition. To account for geographic diversity and differences in the functions of bilateral and

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[2]These include GAO, *USAID Acquisition and Assistance: Actions Needed to Develop and Implement a Strategic Workforce Plan*, GAO-08-1059 (Washington, D.C.: Sept. 26, 2008); USAID Office of Inspector General, *Audit of USAID's Human Capital Strategy*, Audit Report Number 9-00-05-003-P (Washington, D.C.: Jan. 11, 2005); and USAID Office of Inspector General, *Workforce Planning for Procurement Officers*, Audit Report Number 9-000-03-001-P (Washington, D.C.: Nov. 13, 2002).

[3]GAO, *Foreign Assistance: Strategic Workforce Planning Can Help USAID Address Current and Future Challenges*, GAO-03-946 (Washington, D.C.: Aug. 22, 2003).

regional missions, we selected one field mission and one regional mission located in each of three different USAID regions—Africa, Asia, and Latin America and the Caribbean. To account for variation in program funding across USAID regions and missions, we analyzed fiscal year 2009 program funding data by region and mission. In addition, we analyzed USAID-reported staffing data by mission to account for differences in the size and composition of missions' workforce. Although USAID faces workforce planning challenges in the agency's four designated Critical Priority Countries of Afghanistan, Iraq, Pakistan, and Sudan, we did not include these countries in the scope of our selection of site visit missions. In addition, we interviewed knowledgeable Department of State (State) officials in Washington, D.C., and at the six overseas missions selected for our fieldwork. We also analyzed assessments of USAID's workforce planning, including prior USAID Office of Inspector General and GAO reports, including GAO's key principles for effective strategic workforce planning, to assist in our evaluation of USAID's strategic workforce planning and human capital management.[4]

We conducted this performance audit from February 2009 through June 2010 in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Appendix I contains a more detailed description of our scope and methodology.

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[4]GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, D.C.: Dec. 11, 2003); and GAO, *A Model of Strategic Human Capital Management*, GAO-02-373SP (Washington, D.C.: Mar. 15, 2002).

Results in Brief

USAID's workforce[5] declined 2.7 percent from 2004 to 2009, while program funding levels almost doubled from about $9.3 billion in fiscal year 2004 to about $17.9 billion in fiscal year 2009.[6] U.S. and foreign national personal services contractors comprise a significant portion of its workforce, although the percentage of personal services contractors declined from about 72 percent in 2004 to about 63 percent in 2009. In addition, according to agency reports, discussions with agency officials, and our site visits to six missions, USAID faces some staffing gaps at headquarters and overseas missions. USAID does not have aggregated comprehensive data on workforce gaps. However, in the six countries we visited, we identified 66 unfilled positions out of a total of 546 authorized positions. Key factors contributing to staffing gaps cited by mission officials included (1) the pressing needs for staff in the four Critical Priority Countries of Afghanistan, Iraq, Pakistan, and Sudan; and (2) difficulties in recruiting and retaining staff with the skills and abilities to manage unanticipated programs related to emerging agency priorities, such as food security and the environment. Mission officials in each of these countries stated that it is not uncommon for positions to remain vacant for a lengthy period. During this time staff may assume multiple responsibilities and accept additional workload, which present some challenges in the agency's ability to manage and oversee its activities, according to mission officials. For example, officials at several missions we visited stated that they performed the responsibilities of multiple positions simultaneously and, as a result, they could not always address their missions' needs in a timely manner due to the workload demands of these positions. In addition, USAID staff are responsible for monitoring the activities of the implementing partners who carry out the agency's foreign assistance programs; however, according to officials at missions we visited, staffing gaps and heavy workload limit mission staff's ability to travel to the field to oversee the implementation of projects.

In 2008 USAID issued its first 5-year workforce plan, which discusses the agency's workforce challenges, such as meeting its mission following a multiple-year decrease in direct-hire staff levels and increased workload. It also discusses the efforts the agency has taken and plans to take to

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[5]For our analysis, we define USAID's workforce based on USAID's definition of its core workforce, which includes U.S. Foreign Service direct hires; U.S. civil service direct hires; U.S. personal services contractors; and foreign national and third-country national direct hires and personal services contractors.

[6]Program funding information is in nominal appropriated dollars.

strengthen its workforce, particularly in the areas of staff recruitment and retention. However, we found that the plan lacks several strategic workforce planning elements.[7] First, the current plan largely focuses on U.S. direct-hire staff and does not include workforce analyses covering the agency's entire workforce, including contractors. Second, it does not fully assess the agency's workforce needs, including a comprehensive assessment of where workforce gaps exist and the staffing levels required to meet program needs and goals. Third, it does not include a comprehensive analysis of the agency's gaps in critical skills and competencies and does not specify actions that the agency intends to take to address identified competency gaps.

USAID's first 5-year workforce plan includes two key initiatives—a new workforce planning model and the expansion of the agency's Foreign Service. However, USAID lacks documented implementation plans for each of these two initiatives specifying actions to be taken to ensure that these two key initiatives are implemented successfully. First, USAID's Office of Human Resources developed a new workforce planning model to project the number and location of staff for the coming years to estimate the agency's workforce and budgetary needs. However, we found that the stakeholder involvement in developing the model was quite limited in some instances. For example, USAID had not developed plans for providing comprehensive information about the model and its projections to all missions to help ensure that the staffing projections are reasonable and that these units are informed of how the model will affect their workforce planning. Missions' review of the model and its projections would help the agency recognize the model's potential impact on mission-level workforce planning and identify appropriate steps to address any problems. Second, the plan discusses USAID's multi-year initiative to expand its Foreign Service to strengthen the agency's capacity to deliver foreign assistance. Foreign Service Officers (FSO) hired under the initiative receive formal and on-the-job training through rotations among offices in Washington and at one overseas mission. However, USAID has not fully met the initiative's hiring targets or developed plans for how it will meet its hiring goals. In addition, the agency has not undertaken a

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[7]We have identified key principles of effective strategic workforce planning. These include involving senior management, employees, and stakeholders in developing, communicating, and implementing the workforce plan; determining the agency's current critical skills and competencies and those needed to achieve program results; and developing strategies to address gaps in critical skills and competencies. See GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, D.C.: Dec. 11, 2003).

comprehensive effort to plan for all overseas training assignments for the duration of the hiring initiative to help ensure that missions have the necessary resources and mentors. Moreover, USAID has not developed its plans for comprehensively evaluating the overseas on-the-job training programs developed by the missions to ensure that the hiring initiative is meeting agency goals. Documented implementation actions for each of its current initiatives, including the steps the agency plans to take to ensure stakeholder participation in the agency's workforce planning processes and to assign newly hired staff to missions best suited to meet their on-the-job training needs, would help ensure the goals of each of these initiatives are met.

USAID operates in an evolving and often uncertain overseas environment and faces several challenges to workforce planning and management. First, USAID lacks a sufficiently reliable and comprehensive system to record the number, location, and occupation of its entire staff, which can hamper its ability to receive necessary support from State for mission operations. Second, USAID missions plan for their human resource needs through the annual budget planning processes. However, mission officials indicated that they operate in an uncertain environment in which shifts in program activities between when they plan for their human capital needs and when they receive funding can make it difficult to ensure that they have the staff available with the necessary skills to meet program needs. Third, the processes that USAID must use to plan for the placement of staff at the overseas locations where it determines they are needed require coordination with State, which can influence USAID's assignment of overseas staff. However, USAID has not consistently developed comprehensive plans for the assignment of its staff nor systematically shared its plans for the number and specific location of its needed permanent and trainee staff with its overseas missions or State. In addition, at those missions where USAID is co-located with the U.S. embassy, State is responsible for providing office space necessary to accommodate USAID's staff. However, our analysis of USAID's and State's separate projections of USAID's total space requirements by fiscal year 2012 revealed differences, raising questions about the agency's ability to secure the additional space needed to obtain approval for the assignment of additional staff at co-located missions within the time frame specified.

To improve USAID's capacity to effectively manage and strategically plan for its entire workforce, we are recommending that the USAID Administrator take a number of steps to develop more comprehensive workforce plans and improve the agency's workforce data.

In responding to a draft of this report, USAID concurred with its findings and recommendations (see app. II). USAID stated its intent to incorporate our recommendations into its ongoing activities for improving strategic planning and management of its workforce and provided additional comments on these efforts. USAID also provided technical comments, which we have incorporated as appropriate. The State Department did not provide formal comment on the draft report.

Background

USAID is the primary agency responsible for managing U.S. humanitarian and development assistance efforts worldwide in support of U.S. foreign policy and national security interests. The agency is charged with the design and implementation of humanitarian and economic assistance programs overseas. Its activities include technical assistance, research, policy advice, and infrastructure assistance.

USAID is headquartered in Washington, D.C., and operates at missions in approximately 90 countries. In headquarters, USAID is organized into three functional and five regional bureaus. The functional bureaus are aligned with the agency's three strategic goals—economic growth and trade, democracy and governance, and global health. The functional bureaus design and manage activities that support their specific strategic goal, and each activity is typically implemented in multiple countries around the world. The regional bureaus are responsible for oversight of overseas missions that design and manage activities supporting USAID's strategic goals in sub-Saharan Africa, Asia, Europe and Eurasia, Latin America and the Caribbean, and the Middle East. Overseas, USAID designs and manages its foreign assistance activities at primarily two types of missions. Bilateral missions design and manage assistance activities in the countries in which they are located and regional missions design and manage assistance in the countries in which they are located as well as for other countries in the region.[8] Regional missions may also provide administrative assistance, such as financial management and acquisition and assistance support, to neighboring bilateral missions. Figure 1 provides an overview of USAID's organizational structure.

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[8]Some regional missions may be located in the same country as a bilateral mission, and design and manage foreign assistance activities in the country in which they are located as well as for other countries in the region.

Figure 1: USAID Organization
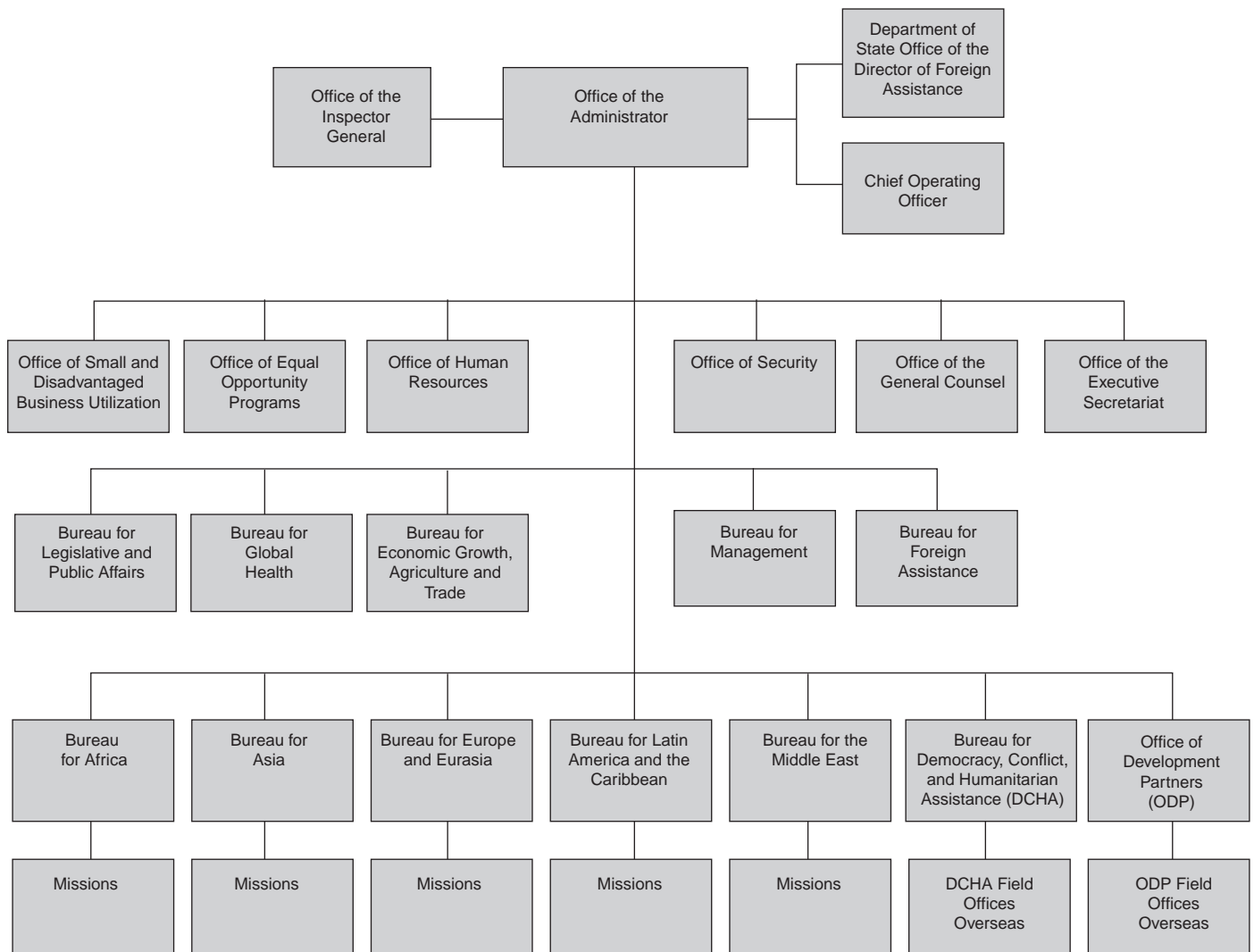
Source: USAID.

Note: In June 2010, USAID announced the establishment of the Bureau of Policy, Planning, and Learning (PPL). Staff of the PPL Bureau will perform policy analysis, evaluations, and strategic planning coordination for the agency's internal and external stakeholders. The PPL Bureau will be comprised of staff from other USAID offices and bureaus, including the Office of the Chief Operating Officer (COO), the Management Bureau, and the Office of Development Partners. In addition, USAID announced that the Office of Budget and Resource Management will be established to provide analysis and recommendations on program budgets and resource allocations.

In 2006, the Secretary of State announced a major transformation in the U.S. government's procedures for directing and managing foreign assistance programs. The Secretary noted that U.S. foreign assistance programs were fragmented between State and USAID, as well as other U.S. government agencies. To help align foreign assistance programs, the Secretary of State created the position of Director of Foreign Assistance. The director is to report to the Secretary of State and lead the implementation of State and USAID's consolidated planning, budgeting, and reporting processes. State's Office of the Director of Foreign Assistance was established to carry out the responsibilities of the director. This office was given responsibility for developing, among other things, consolidated policy, planning, budget, and implementation mechanisms and staff functions required to lead USAID and State foreign assistance efforts.

USAID's Workforce

USAID defines its core workforce as those who have an employer-employee relationship with USAID. This includes the following employment categories:

- Direct-hire U.S. citizen civil service employees in Washington, D.C., who perform core administrative, strategic, and technical program design and management functions to support USAID's programs overseas.

- Direct-hire U.S. citizen Foreign Service employees, most of whom serve at overseas missions and for limited periods in Washington, D.C.

- Nondirect-hire U.S. personal services contractors—individuals on contract with USAID for the specific services of that individual.[9]

- Foreign nationals (non-U.S. citizen) who may be direct hires or personal services contractors.[10]

Other categories of staff not directly employed by USAID, including institutional support contractors and staff detailed from other organizations and U.S. government agencies, also perform a wide range of

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[9]U.S. personal services contractors are U.S. citizens hired to fulfill specific tasks and responsibilities for a time period stated in their contract.

[10]Foreign national personal services contractors are recruited in their host countries and often provide the agency with technical expertise and contacts with host-country decision-makers.

services in support of the agency's programs. For example, USAID funds institutional support contractors to support agency operations or to augment USAID's direct-hire and nondirect-hire staff.

USAID's workforce has evolved over the years, leading to changes in how the agency's work is accomplished. In the 1970s, the U.S. government began to turn increasingly to the private sector to implement its programs and, by the 1990s, USAID had evolved from an agency staffed primarily by U.S. direct-hires that largely provided direct, hands-on implementation of development projects to one that manages and oversees the activities of contractors and grantees. In 2003 we reported that USAID officials expressed concern that USAID's operating expense funding used to support U.S. direct-hire staff had not kept pace with the agency's requirements.[11] USAID began to utilize private-sector entities overseas to accomplish development work under institutional grant and contract mechanisms. As personnel resources were obtained from the private sector, USAID's direct-hire workforce associated with program implementation declined. For example, USAID's U.S. direct-hire workforce decreased from about 8,600 in 1962 to about 2,900 in 2009. As the number of U.S. direct-hire staff declined, missions began relying on other types of employees, primarily foreign national personal services contractors, to manage mission operations and oversee development activities implemented by third parties. In addition, the agency began to seek alternative mechanisms for obtaining human resources to meet its management responsibilities. For example, interagency agreements were established to obtain U.S. direct-hire employees from other federal agencies.[12] Fellowship and intern programs were also established and used to obtain personnel from universities, state and local governments, private voluntary organizations, and private-sector entities.

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[11]GAO, *Foreign Assistance: USAID's Operating Expense Account Does Not Fully Reflect the Cost of Delivering Foreign Assistance*, GAO-03-1152R (Washington, D.C.: Sept. 30, 2003). Since 1976, Congress has included a specific appropriation to USAID to provide for the administrative costs of delivering foreign assistance from an operating expense account separate from its humanitarian and development assistance program funds. These administrative expenses include the costs of USAID's direct-hire staff.

[12]USAID obtains staff from other U.S. government agencies through Participating Agency Service Agreements (PASA) and Resource Support Service Agreements (RSSA). PASA staff are detailed to the agency to work on specific projects and are generally assigned overseas. RSSA staff usually provide support services not specific to a project and are normally assigned to offices in Washington. Some PASA and RSSA staff are USAID direct hires.

Our prior work on USAID's workforce planning has highlighted the agency's workforce issues, assessed its progress in implementing a strategic workforce plan, and recommended actions to improve its strategic workforce planning. In 2003, we reported that USAID had a mostly ad hoc approach to workforce planning, which resulted in human capital vulnerabilities.[13] We recommended that the agency develop and institutionalize a strategic workforce planning and management system that takes advantage of strategic workforce planning principles. USAID responded to the recommendation by noting its establishment of an integrated workforce analysis and planning effort and its plans to contract for a more comprehensive analysis of its workforce needs and gaps.

Strategic Workforce Planning Principles

Strategic human capital management is important to an organization's ability to realize its mission, as it helps enable an organization to deploy staff with the right skills, to the right places, at the right time. Strategic workforce planning is an iterative, systematic process that addresses two critical needs: (1) aligning an organization's human capital program with its current and emerging mission and programmatic goals; and (2) developing long-term strategies for acquiring, developing, and retaining an organization's workforce to achieve programmatic goals. Agency approaches to such planning can vary, as necessary, to address each agency's particular needs and mission. However, our prior work suggests that, irrespective of the context in which workforce planning is done, such a process should incorporate certain key principles: (1) involve management and employees, and stakeholders in developing, communicating, and implementing the workforce plan; (2) determine the agency's current critical skills and competencies and those needed to achieve program results; (3) develop strategies to address gaps in critical skills and competencies; (4) build the capability needed to address administrative, educational, and other requirements to support workforce strategies; and (5) monitor and evaluate progress and the contribution of strategic workforce planning efforts in achieving program goals.[14]

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[13]GAO-03-946.

[14]GAO-04-39.

Workforce and Program Funding Trends Present Challenges in USAID's Ability to Manage Foreign Assistance Programs

The size of USAID's total workforce declined 2.7 percent from 2004 to 2009; over the same period the agency managed an increase of $8.6 billion in program funding. In addition, our review of USAID reports, site visits to missions, and discussions with agency officials indicate that USAID experiences some staffing gaps, including at essential positions, that present challenges in the agency's ability to manage its foreign assistance programs in recipient countries.

USAID's Workforce Has Not Kept Pace with Foreign Assistance Program Levels

Since 2004 USAID's total workforce has declined 2.7 percent, from 7,626 in 2004 to 7,421 in 2009,[15] although the agency's Foreign Service direct hire workforce increased in recent years. Most of the decline occurred with the number of personal services contractors, both U.S. citizens and foreign nationals. The number of U.S. personal services contractors decreased from 624 in 2004 to 591 in 2009, and the number of foreign national personal services contractors fell from 4,848 to 4,093 over the same period. Conversely, the agency's civil service direct-hire workforce grew by about 7 percent from 2004 to 2009. In addition, the agency's Foreign Service direct-hire workforce increased by approximately 49 percent over the same period, with the largest increase occurring since the start of USAID's initiative to expand its Foreign Service in 2008.[16] As USAID's Foreign Service workforce increases and newly hired FSOs begin performing some of the work previously performed by U.S. nondirect-hire personal service contractors, the agency expects to gradually reduce the number of these nondirect-hire staff. However, USAID intends to continue to employ U.S. personal services contractors to fill short-term, highly technical, and specialized positions. As table 1 shows, all USAID regions experienced increases in their total direct-hire Foreign Service workforce, although three of the four regions experienced decreases in their overall workforce due to declining numbers of personal services contractors. Nevertheless, personal services contractors continue to comprise the largest share of

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[15]All figures exclude the staff of USAID's Office of Inspector General. In 2004, USAID staff included 95 FSOs and 96 civil service staff. In 2009, USAID USAID's Inspector General staff included 92 FSOs and 110 civil service staff.

[16]Figure includes 183 Foreign Service Limited staff serving temporary non-career appointments of up to 5 years.

USAID's core workforce—approximately 63 percent in 2009[17]—while USAID's Foreign Service and civil service direct-hire staff comprise roughly the remaining one-third of the total workforce (see fig. 2).

Table 1: USAID Direct Hire and Personal Services Contractor Workforce by Region, 2004 and 2009

USAID region	2004	2009	Percentage change
Africa			
Direct hires	220	323	47
Personal services contractors, U.S.	119	143	20
Personal services contractors, foreign	1,736	1,523	(12)
Regional total	2,075	2,005	(3)
Europe and Eurasia			
Direct hires	122	156	28
Personal services contractors, U.S.	126	44	(65)
Personal services contractors, foreign	962	748	(22)
Regional total	1,210	948	(22)
Asia and Near East			
Direct hires	260	409	57
Personal services contractors, U.S.	136	140	3
Personal services contractors, foreign	1,116	1,070	(4)
Regional total	1,512	1,619	7
Latin America and the Caribbean			
Direct hires	170	211	24
Personal services contractors, U.S.	60	34	(43)
Personal services contractors, foreign	958	711	(26)
Regional total	1,188	956	(20)

Source: GAO analysis of USAID data.

[17]In addition, USAID includes in its quarterly and semi-annual staffing reports other types of staff with an employer-employee relationship, such as staff detailed from a number of organizations and other U.S. government agencies. Other individuals not directly employed by USAID also perform a wide range of services in support of the agency's programs. These individuals include employees of institutional or services contractors and grantees.

Figure 2: USAID Workforce Profile, 2004 and 2009

2%
Foreign national
direct hires

8%

Personal services
contractors, U.S.

14% • U.S. direct hires,
civil service

64%

13% • U.S. direct hires,
Foreign Service

Personal services
contractors, foreign

2%
Foreign national
direct hires

8%

Personal services
contractors, U.S.

15% • U.S. direct hires,
civil service

55%

20% • U.S. direct hires,
Foreign Service

Personal services
contractors, foreign
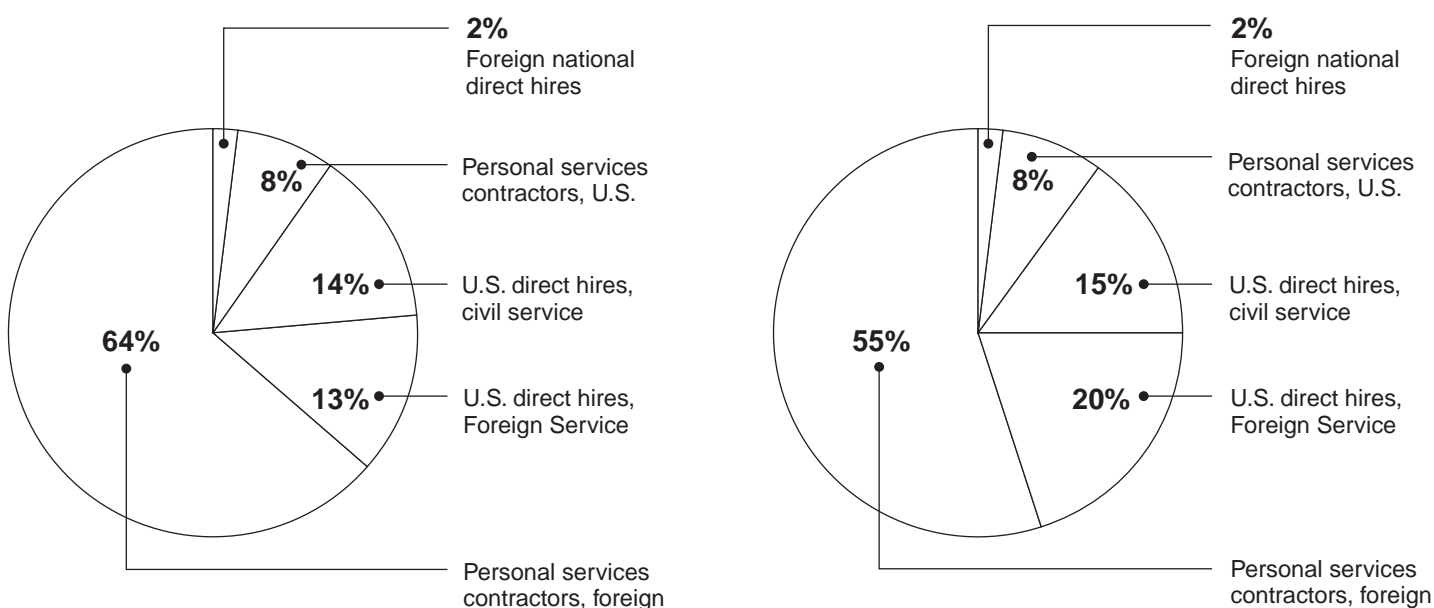
Source: GAO analysis of USAID data.

Notes: Percentages may not add to 100 due to rounding.

Most foreign national direct-hire staff have been converted to personal services contractors. Beginning in 1995, it has been USAID policy that foreign national direct-hire positions be converted to personal services contractor positions as foreign national direct hires separate from the agency and the positions become vacant.

Foreign Assistance Levels Have Increased

In contrast to workforce size, the agency's overall program funding levels increased by 92 percent, from about $9.3 billion in fiscal year 2004 to about $17.9 billion in fiscal year 2009 (see fig. 3). This overall increase reflects growth in program funding allocations, as well as other USAID-managed funds and co-managed USAID and State funds.[18] Similarly, throughout this period, USAID has experienced growth in its traditional programs, including child survival and health programs, and disaster assistance. However, the agency has also taken on responsibility for managing a range

[18]Co-managed USAID and State funds include the Economic Support Fund; Assistance for Europe, Eurasia, and Central Asia; Assistance for Eastern Europe and the Baltic States; Assistance for the Independent States of the Former Soviet Union; and the Andean Counter Drug Initiative. Other USAID-managed funds during this period include the Global HIV/AIDS Initiative, Global Health and Child Survival, Millennium Challenge Corporation Threshold Program, and Iraq Relief and Reconstruction Fund.

of new foreign assistance programs. For instance, since 2004 USAID has been responsible for managing approximately $5.5 billion in President's Emergency Plan for AIDS Relief funding,[19] $1.3 billion of the Iraq Relief and Reconstruction Fund, and $411 million in Millennium Challenge Corporation Threshold Program funding.

Figure 3: USAID Total Workforce and Program Funding Levels, Fiscal Years 2004 through 2009
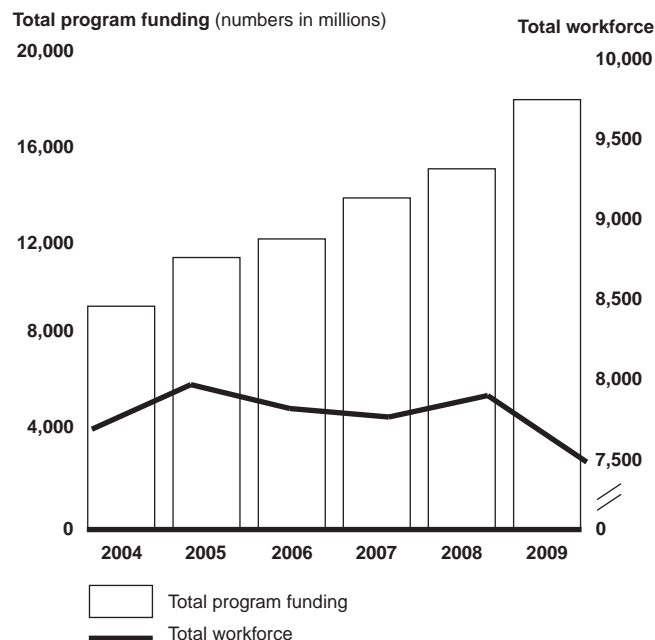
Source: USAID.

Note: Program funding information is in nominal appropriated dollars.

We have assessed these data as part of our previous and ongoing work and have determined that they are sufficiently reliable to identify workforce and program funding trends over time. However, the report also notes our concerns with regard to the reliability of USAID's workforce data for other purposes.

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[19]$5.5 billion represents the total amount of President's Emergency Plan for AIDS Relief funding that USAID managed from 2004 to 2008. In fiscal year 2008, these funds were allocated through a newly established account, the Global Health and Child Survival State fund.

In addition, Critical Priority Countries, which USAID considers its most challenging assignments, have experienced significant funding and staffing increases. The four Critical Priority Countries—Afghanistan, Iraq, Pakistan, and Sudan—are designated by the USAID Administrator and the agency prioritizes the staffing of FSOs to these countries. The agency considers these hardship assignments for which it offers FSOs incentives to serve, such as opportunities for career advancement and increased pay. From 2004 to 2009, program funding for Critical Priority Countries has increased significantly.[20] For example, over this period program funding for Afghanistan grew by more than half, while funding for Pakistan and Sudan more than doubled.[21] Similarly, analysis of USAID's Critical Priority Country workforce data shows that throughout this period, these countries have also experienced significant workforce increases. For example, USAID's Critical Priority Country workforce has more than doubled, from 305 in 2004 to 628 in 2009. Moreover, the percentage of the agency's total overseas workforce posted in these countries has grown from approximately 5 percent in 2004 to about 11 percent in 2009 (see table 2).

Table 2: USAID Critical Priority Country Workforce Trends, 2004 and 2009

Critical Priority Country	2004	Percentage of overseas workforce (2004)	2009	Percentage of overseas workforce (2009)	Percentage change (2004-2009)
USAID Afghanistan					
Direct hires	10	1.3	105	9.4	950
Personal services contractors, U.S.	23	3.7	25	4.2	9
Personal services contractors, foreign	67	1.4	132	3.2	97
USAID Iraq					
Direct hires	16	2.0	42	3.7	163
Personal services contractors, U.S.	31	5.0	15	2.5	(52)
Personal services contractors, foreign	104	2.1	68	1.7	(35)
USAID Pakistan					
Direct hires	9	1.1	27	2.4	200
Personal services contractors, U.S.	3	0.5	12	2.0	300

[20]Estimates of program funding for Critical Priority Countries include funding managed by USAID and other U.S. government agencies.

[21]While program funding for Iraq totaled approximately $18.4 billion in 2004 and declined in subsequent years, from 2005 to 2009 program funding has increased significantly.

Critical Priority Country	2004	Percentage of overseas workforce (2004)	2009	Percentage of overseas workforce (2009)	Percentage change (2004-2009)
Personal services contractors, foreign	13	0.3	77	1.9	492
USAID Sudan					
Direct hires	4	0.5	21	1.9	425
Personal Services Contractors, U.S.	1	0.2	5	0.8	400
Personal services contractors, foreign	24	0.5	99	2.4	313
Total	**305**	**5.0**	**628**	**11.2**	**106**

Source: GAO analysis of USAID data.

USAID Experiences Workforce Gaps, Presenting Potential Challenges for Program Management

USAID has reported that workforce gaps exist. For example, in 2008 USAID reported it faces growing workforce gaps, including chronically vacant or understaffed positions as well as accumulating backlogs of work.[22] According to the agency, it faces current vulnerabilities stemming from unfilled positions and long-standing workforce gaps at overseas missions. Moreover, USAID's Office of Human Resources (OHR) currently faces a shortage of civil service staff to implement the human capital initiatives outlined in its workforce plan while also maintaining its ongoing human resource services. According to a December 2009 report by USAID's Office of the Chief Operating Officer, OHR is barely meeting its current workload demands with its existing staff of 86 and will not be able to meet the demands generated by the agency's human capital initiatives and planned growth. For example, the review cites that employee counseling services have been greatly reduced because of the need to assign counseling staff to the agency's human capital initiatives.[23] In addition, in 2008 we reported that the numbers of acquisition and assistance staff at some missions did not match workload and that the number of acquisition and assistance staff with the necessary competencies was less than adequate at some missions, while at others it was more than adequate.[24] Furthermore, we reported that, according to

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[22]USAID, *Fiscal Year 2008 Financial Report: Managing for Development Results* (Washington, D.C.: Nov. 17, 2008).

[23]Based on this review, USAID's Office of the Chief Operating Officer recommended a number of actions to strengthen the agency's human resources management, including restructuring OHR and increasing the participation of OHR managers and staff in the development and implementation of the Development Leadership Initiative. See USAID Office of the Chief Operating Officer, *Review of USAID Office of Human Resources* (Washington, D.C.: December 2009).

[24]GAO-08-1059.

agency officials, USAID's Office of Acquisition and Assistance Evaluation Division did not have the staff level needed to fully implement its evaluation mechanism, and thus could not certify the overall adequacy and effectiveness of management controls for the agency's acquisition and assistance function.

According to USAID officials in the six countries we visited, the agency has some staffing gaps in large part due to the need to fill vacancies at Critical Priority Countries and difficulties in hiring and retaining staff with needed technical expertise. In the six countries we visited, we identified 66 unfilled positions out of a total of 546 authorized positions. At the time of our fieldwork, we found that 14 of these unfilled positions were essential positions designated for senior and supervisory FSOs, creating challenges for providing adequate program management as well as difficulties in providing needed supervision and mentoring for newly hired staff in training positions. In addition, mission officials noted that it is not uncommon for vacant positions to continue for lengthy periods, and we found that some of these vacancies had existed for 1 year or longer. Mission officials at most of the missions we visited attributed lengthy vacancies to such factors as unexpected transfers of FSOs to Critical Priority Countries, agencywide shortages of FSOs in critical occupations, and difficulties in recruiting staff with the necessary skills and competencies to fill newly authorized and vacant positions.

Our site visits indicated that FSO assignments to Critical Priority Countries have created vacancies at other missions. For instance, according to officials at the regional mission in Peru, the mission's Contracting Office has twice lost senior staff to positions in these critical countries, which they stated has limited this office's ability to provide regional contract and grant support. Similarly, the deputy mission director in Peru stated that the mission's the regional legal team has experienced vacancies in a supervisory and a junior officer position, which resulted in both positions being unfilled from August 2008 to October 2009. In addition, the head of the Program Development Office in Peru was transferred to Afghanistan in July 2009; the position was expected to remain vacant through June 2010, according to the mission's executive officer. Such occurrences have taken place at other missions; for example, according to officials at USAID's regional mission in Thailand, a junior officer volunteered to serve at the mission in Afghanistan. According to mission officials, vacancies caused by transfers to Critical Priority

Countries are filled in an ad hoc fashion, such as assigning temporary duty staff or Foreign Service Limited[25] staff from other USAID missions. Agency officials stated that staffing for Critical Priority Countries is particularly challenging because newly hired FSOs do not serve in these countries and FSO assignments in Critical Priority Countries are for 1 year—less than the standard length of such overseas assignments—making these posts less desirable for more experienced staff with families. According to USAID officials, USAID has no clear process for filling staffing vacancies while also meeting critical missions' staffing needs.

In addition, mission officials indicated that missions sometimes are unable to employ FSOs and contractor staff with the skills and competencies needed to manage programs related to agency priorities, such as the environment and food security. For instance, mission officials at the regional mission in Thailand identified challenges in recruiting employees for two highly technical positions within their environment program. Mission officials stated that, for at least one of these positions, the mission was unable to hire a personal services contractor with the necessary technical, language, and administrative experience to satisfy position requirements. While the position is usually filled by a U.S. personal services contractor because of the specific skills required, USAID headquarters changed the position designation to a FSO to fill the position, according to mission officials. However, mission officials told us that they had not identified a qualified FSO employee. These officials noted that once qualified employees are hired, they often anticipate having to provide at least 6 months of on-the-job training in order to instill the necessary skills. Similarly, the USAID mission in Cambodia is designing a new food security program initiative to manage additional program funding related to agricultural production. However, in the absence of an experienced agriculture officer, the mission's economic growth officer was coordinating the program's design at the time of our visit.

According to officials at the missions we visited, staffing gaps create additional workload for remaining staff who must serve in multiple positions at a time to fill staffing gaps, which may limit staffs' ability to manage foreign assistance programs. For example, the mission director and executive officer in Rwanda explained that it is not uncommon for members of the mission's Global Health team to perform the

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[25]Foreign Service Limited staff are appointed to a temporary, non-career appointment of up to 5 years to perform inherently federal governmental functions.

responsibilities of four positions simultaneously, affecting staffs' ability to carry out these responsibilities effectively due to their inexperience performing in these positions and the additional workload they must assume. A FSO at one mission we visited served simultaneously as the mission's senior economic growth officer, environment officer, and acting agriculture officer, and coordinated USAID's regional program activities; he stated sometimes he could not address the mission's needs in a timely manner due to the competing workload demands of these positions. Officials at the mission in Ecuador explained that due to staffing gaps, the heads of each of the mission's technical offices must perform the roles and responsibilities of multiple positions simultaneously. As a result, these mission officials stated that they had delayed the approval of some projects and had not had the opportunity to meet regularly with implementing partners to ensure that projects are implemented according to contract specifications. Furthermore, the regional contracting officers in Thailand noted that due to their heavy workload they did not always conduct a timely review and approval of contracts for bilateral missions in the region and rarely attended meetings with implementing partners, which they felt were essential to oversee their activities. In addition, we found the resulting staffing gaps and heavy workload sometimes limited mission staff's ability to travel to the field to monitor and evaluate the implementation of projects by implementing partners. For example, when we visited the regional mission in Thailand, we found that the regional contracting officer, responsible for managing 40 awards, had made no site visits during his year with the mission due to constraints on his time given his workload.

USAID's Workforce Plan Identifies Key Challenges but Is Not Comprehensive

USAID's 5-year workforce plan discusses the agency's workforce challenges and the efforts underway to strengthen its workforce, particularly in the areas of recruitment, retention, and training. However, the plan generally lacks some of the elements that we have identified as critical to strategic workforce planning.[26] Specifically, it does not cover the entire workforce, does not fully identify comprehensive workforce needs, and does not include comprehensive information on staffs' competencies.

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[26] GAO-04-39.

Workforce Plan Identifies Key Challenges and Initiatives

In 2008 USAID issued the agency's first 5-year workforce plan covering fiscal years 2009 to 2013.[27] The current plan expands the agency's workforce planning to include the direct-hire civil service—a segment of the agency's workforce that was not significantly included in the agency's workforce planning at the time of our 2003 report. In addition, the plan identifies workforce challenges and discusses the agency's efforts to strengthen its workforce. For example, the plan analyzes the challenges the agency has faced in meeting its mission following a multiple year decrease in direct-hire staff levels and increased workload. In addition to the development of a new staffing projection model and the expansion of the Foreign Service, the 5-year workforce plan outlines several other efforts the agency has undertaken and plans to undertake to address these challenges. For example, the plan outlines the agency's efforts to improve the security clearance process and thereby reduce the time it takes to hire Foreign Service and civil service candidates, particularly in mission critical occupations. It also outlines several initiatives USAID has launched to improve retention, including employee development programs and monetary incentives. According to USAID officials, these efforts have had a positive impact on the recruitment and retention of Foreign Service and civil service staff in positions that are difficult to fill and mission critical.

Workforce Plan Is Not Comprehensive

Although USAID's current workforce plan outlines the agency's efforts to strengthen its workforce, it lacks several elements we have identified as critical to planning strategically for the workforce.[28] We define strategic workforce planning as focusing on long-term strategies acquiring, developing, and retaining an organization's workforce and aligning human capital approaches to achieve current and emerging mission and program goals. Specifically, we have found that strategic workforce planning should involve determining the critical skills and competencies that will be needed to achieve current and future program results and developing strategies for addressing gaps in the number, deployment, and alignment of staff needed to achieve these results. However, USAID's workforce plan's analyses and strategies do not cover the entire workforce, do not

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[27]The workforce plan includes an addendum, which covers the agency's succession training and development efforts in response to impending retirements of the agency's civil service and Foreign Service employees. The plan indicates that updates will occur annually in December of each year. In December 2009 USAID issued its updated 5-year workforce plan for fiscal years 2010 to 2014.

[28]GAO-04-39.

include comprehensive information on staffs' competencies, and do not fully identify comprehensive workforce gaps and needs.

First, the current plan focuses on U.S. direct-hire staff and does not cover the agency's entire workforce. For example, the workforce analyses and recruitment and retention efforts discussed in the plan—such as student loan repayment programs, recruitment bonuses, and relocation payments—focus on the agency's direct-hire Foreign Service and civil service staff. While the current plan discusses efforts USAID plans to take to develop and enhance the skills of foreign national personal services contractors, the plan does not include specific workforce analyses and efforts covering the agency's entire nondirect-hire staff. However, nondirect-hire staff constitute a majority of the agency's total workforce and sometimes perform the same functions as direct-hire staff. In addition, a workforce plan that encompasses USAID's entire workforce would enable the agency to comprehensively analyze its current and future workforce needs, such as the distribution of attrition rates and the knowledge, skills, and abilities needed by the agency. This planning would help USAID identify current workforce problems and plan for future improvements across its entire workforce.

Second, the current plan does not fully assess the agency's workforce needs, including a comprehensive assessment of where workforce gaps exist and the staffing levels required to meet program goals and needs. While the workforce plan describes the agency's process for how it will project the number, type, and location of staff needed to accomplish the agency's mission, it does not include analyses of the agency's specific workforce needs and the strategies and resources it will take to meet these needs. For example, USAID officials cited agencywide shortages in certain occupations, such as human resource specialists and executive officers; however, the plan does not include an agencywide analysis of these shortages and does not discuss comprehensive strategies for addressing them. USAID officials also stated that the agency will require additional civil service staff to support USAID's increased number of FSOs overseas, but the plan does not include projections of the number and occupations of civil service staff that USAID will need to support its Foreign Service expansion. Furthermore, the plan does not provide estimates of the overall funding levels it will require to support the expansion of its Foreign Service, including any increase in the agency's civil service workforce. In addition, USAID notes challenges of staffing missions in the four Critical Priority Countries, including the dwindling pool of FSOs available to staff missions in these countries. However, the plan does not include specific strategies to help ensure missions in the Critical Priority Countries are

adequately staffed while also meeting the staffing requirements of missions in other countries. A workforce plan that assesses the agency's comprehensive workforce needs and identifies strategies and resources for addressing identified workforce gaps would create the road map needed to meet future workforce requirements.

Third, the current plan does not include a comprehensive analysis of the agency's gaps in critical skills and competencies and the specific actions the agency intends to take to address identified competency gaps. USAID has begun identifying and assessing the competencies of direct-hire Foreign Service and civil service staff, but currently lacks comprehensive information about the skills and competencies of its total workforce, which it could use for workforce planning purposes.[29] According to the principles of effective workforce planning, an agency should determine the critical skills and competencies needed to achieve current and future programmatic results.[30] While the plan discusses the importance of identifying and developing workforce competencies and describes the agency's initiative to identify and assess the competencies of its workforce in the future, the agency's efforts are currently limited to the Foreign Service and some civil service occupational groups.[31] For example, USAID has developed competency models for all direct-hire Foreign Service and some civil service occupational categories. In addition, USAID expects to complete competency models for the remaining civil service occupational
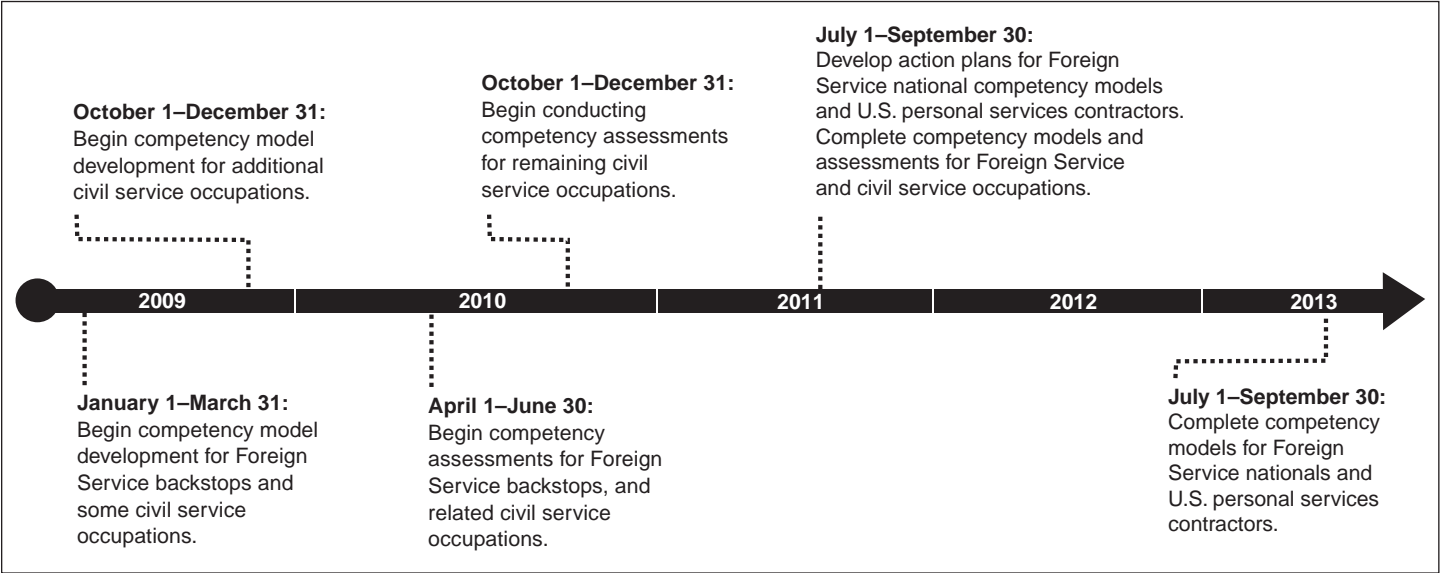
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[29]In September 2008, we reported that USAID lacked the capacity to develop and implement a strategic workforce plan for one key component of its workforce, staff responsible for managing acquisition and assistance instruments—contracts, grants and cooperative agreements—due, in part, to a lack of comprehensive information on the competencies of its overseas acquisition and assistance staff. See GAO-08-1059.

[30]GAO has developed a model of strategic human capital planning to help agency leaders effectively use their personnel and determine how well they integrate human capital considerations into daily decision making and planning for the program results they seek to achieve. Under the principles of effective workforce planning, an agency should determine the critical skills and competencies that will be needed to achieve current and future programmatic results. Then, the agency should develop strategies tailored to address gaps in number, deployment, and alignment of human capital approaches for enabling and sustaining the contributions of all critical skills and competencies. See GAO-02-373SP.

[31]This initiative includes the development of competency models, which define by occupational group the knowledge, skills, abilities, and behaviors that constitute good performance. Using the competency models, USAID plans to conduct yearly competency assessments of employees to assess the degree to which an employee possesses each competency in his or her occupational group. USAID intends to use the information from yearly assessments to determine competency gaps and make decisions about recruitment, training, or other development opportunities to close any identified skill gaps.

categories in fiscal year 2010 and plans to complete competency assessments for all Foreign Service and civil service staff by the end of fiscal year 2011. However, the agency has no specific plans to include a competency gap analysis in its workforce plan until fiscal year 2011, and this future analysis will focus on the agency's U.S. direct-hire workforce. Although personal services contractor staff comprise the majority of the agency's core workforce, USAID does not plan to develop an action plan for developing competency models and competency assessments for foreign national personal services contractor staff before fiscal year 2011 and will not complete the development of competency models for these staff until fiscal year 2013 (see fig. 4).

Figure 4: Time Line of Key Milestones in USAID's Development and Implementation of Its Competency Management Initiative

October 1–December 31:
Begin competency model development for additional civil service occupations.

October 1–December 31:
Begin conducting competency assessments for remaining civil service occupations.

July 1–September 30:
Develop action plans for Foreign Service national competency models and U.S. personal services contractors. Complete competency models and assessments for Foreign Service and civil service occupations.

2009   2010   2011   2012   2013

January 1–March 31:
Begin competency model development for Foreign Service backstops and some civil service occupations.

April 1–June 30:
Begin competency assessments for Foreign Service backstops, and related civil service occupations.

July 1–September 30:
Complete competency models for Foreign Service nationals and U.S. personal services contractors.

Source: USAID analysis.

USAID Has Taken Limited Actions to Plan for the Implementation of Key Human Capital Initiatives

USAID has undertaken actions to implement the two primary human capital initiatives specified in its workforce plan—a new staffing model and the expansion of the agency's Foreign Service. However, the agency generally lacks documented implementation plans identifying the actions to be taken and the resources needed to help ensure that these initiatives are implemented successfully.

USAID's Implementation of a Staffing Model Included Limited Involvement of Key Stakeholders

USAID has developed a workforce planning model and used the model's staffing projections to determine agency-wide hiring targets and inform its yearly budget submissions, but we found USAID lacked a comprehensive implementation plan for rolling out the model, including how USAID's Office of Human Resources planned to incorporate input from stakeholders. We found that stakeholder involvement in the development and implementation of the model was quite limited in some instances. USAID's Consolidated Workforce Planning Model is an agencywide management tool that projects the number, type, and location of staff needed to accomplish the agency's mission. Data from the workforce planning model are provided to the agency's budget office to estimate the agency's yearly staffing budget, and OHR uses the model to make workforce decisions by projecting staffing by bureau, office, and overseas mission. According to OHR, projections based on the workforce planning model are to include yearly input from offices, bureaus, and missions, as these stakeholders deal directly with the workforce and have the greatest insight into the type of staff needed, the nature of the work, and how that work will change in the future. However, we found that USAID lacked plans for ensuring that key stakeholders review the assumptions and projections of the model to ensure the projections are reasonable and can be implemented. For example, according to mission officials, four of the six missions had not received information about the staffing model or projections of the missions' staffing patterns at the time of our visit. We have found that workforce planning strategies, such as the development and implementation of a workforce planning model, are more likely to succeed if they involve key stakeholders.[32] For example, involving USAID's missions in the development and implementation of the agency's workforce planning model could help the agency recognize and address the potential impact the model may have on existing workforce planning processes and help the agency identify appropriate steps to address potential problems. Despite these shortcomings, the agency used the workforce planning model's projections to determine agencywide hiring targets and inform its fiscal year 2011 budget submission. According to USAID officials, the agency is developing a Web-based tool to disseminate information about the staffing model and report staffing projections to facilitate stakeholder review. Implementation of the Web-based tool is scheduled to begin in the fall of 2010 and will occur in phases, beginning with headquarters offices and bureaus, and then overseas missions.

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[32] GAO-04-39.

OHR informed headquarters bureaus and offices about the workforce planning model and shared the model's staffing projections with these stakeholders but did not have plans in place to ensure missions reviewed the model and its projections. OHR briefed headquarters offices and bureaus about the model and incorporated changes to the model based on their input.[33] OHR then relied on the agency's regional bureaus to review the staffing model's projections for missions in their respective regions and inform the missions about the model's underlying assumptions and staffing projections. However, according to regional bureau officials, these officials did not share information about the model and its staffing projections due, in part, to concerns about the data sources underlying the model's baseline assumptions, especially those assumptions that determined the size of a mission's workforce. Some headquarters officials noted that the projections seemed to be based on inaccurate ratios of administrative staff to technical staff and did not include all staff performing key functions, such as institutional support contractors.

During our field work, mission officials cited concerns about implementing staffing projections from the model because they had not had the opportunity to review the model's assumptions and data as well as the staffing projections to gauge the feasibility of implementing the staffing projections and understand how the model will affect missions' workforce planning. In November 2009, OHR briefed mission directors on the workforce planning model and provided general examples of staffing patterns and general budget levels for missions of different sizes based on the model's assumptions. In February and March 2010, OHR provided similar briefings with missions' executive officers. However, during these sessions mission directors and executive officers were not provided with projections of staffing patterns and budget levels for their specific missions for their review and input.

Two missions we visited—the regional mission in Thailand and the mission in Cambodia—had received staffing projections for fiscal years 2012 and 2014, but received only limited information to understand and assess the feasibility of implementing the staffing projections. Officials at these missions stated they had reviewed projections of the number and types of staff for their respective missions, but they had received only limited information about the model's assumptions and data sources used to develop the projections, which

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[33]From October 2009 through January 2010, OHR vetted the model with Washington offices and bureaus to identify needed refinements to the assumptions used in the model. According to officials, OHR is currently adding refinements to the model based on this feedback and expects to complete these refinements in 2010.

they said made it difficult to conduct a meaningful review of whether the projections were reasonable and could be implemented successfully. For example, mission officials were confused about the significant changes in the number of projected FSOs and told us that the projected occupational groups, staff experience levels, and employment categories for the missions' staff did not seem reasonable. In addition, the missions did not receive any information about the budgets the mission would expect to receive in fiscal years 2012 and 2014 to inform them of how the projections will affect their workforce planning in future years. They noted that without projections of the budget the mission could expect to receive along with the staffing projections, it was difficult to determine whether the projections for the mission were reasonable and could be implemented due to diverse funding sources and the rapidly changing political environments of recipient countries. Without having received information about the underlying assumptions of the projections, mission officials stated they could not provide meaningful recommendations for any changes they believe appropriate based on what they anticipate will be the development objectives for these missions in 2012 and 2014.

USAID Has Not Strategically Planned for the Expansion of the Foreign Service

A second key initiative from USAID's workforce plan is the Development Leadership Initiative—a multi-year hiring effort to increase the size of the agency's Foreign Service workforce by 1,200 through 2012. The goal of the initiative is to strengthen the agency's capacity to effectively deliver U.S. foreign assistance with increased technical expertise in the field and to engage more broadly with development partners. USAID intends for the initiative to result in a larger, better-trained Foreign Service workforce that will be prepared to quickly meet routine and emergency demands. FSOs hired under this initiative begin their employment with 4 to 12 months of formal training and rotations among offices and bureaus to receive on-the-job training at USAID headquarters in Washington. Once training in Washington is complete, officers hired under the initiative deploy for 2 additional years of formal training and rotations among offices at an overseas mission. However, USAID has not met its hiring targets in terms of the number of newly hired FSOs in certain occupational categories and faces uncertainty about meeting overall targets for 2010. In addition, USAID has not developed a long-term strategy to determine the overseas training assignments for all newly hired FSOs, and it lacks specific plans to monitor and evaluate the varied training programs developed by the missions.

USAID Lacks Strategies to Ensure That Hiring Targets Are Met

USAID has faced some difficulties in meeting some hiring targets under the Development Leadership Initiative and lacks specific strategies to ensure it will meet its overall 2010 goal as well as those targets determined for specific occupational categories. According to USAID's 5-year workforce plan, the agency plans to hire 1,200 FSOs by 2012. The plan sets forth hiring targets by fiscal year—120 FSOs for fiscal year 2008, 300 for fiscal year 2009, 350 for each of fiscal years 2010 and 2011, and 80 for fiscal year 2012. These hiring targets included a breakdown of the number of FSOs hired in certain occupational categories for each fiscal year.

In fiscal year 2008, USAID hired 117 FSOs, close to its planned target of 120; however, it did not meet its targets for controllers and for crisis, stabilization, and governance officers. Due to funding delays, USAID did not meet its fiscal year 2009 hiring target until March 2010. With a delay in the fiscal year 2009 appropriation, USAID requested and received a congressional waiver to carry over its fiscal year 2009 hiring funds and extend its efforts to achieve its hiring targets to March 2010. While USAID exceeded its overall targets for 2009 by March 2010, it did not meet its targets for certain occupational categories. For example, USAID faced a shortage of 18 controllers, 15 health officers, and 2 contract officers to meet its fiscal year 2009 hiring targets (see table 3). According to OHR officials, the initiative's open recruitment process in which positions remain advertised until filled—intended to maximize the number of applicants— resulted in a scarcity of qualified candidates in certain occupations. USAID also lowered its overall hiring targets for fiscal year 2010 from 350 to 300 and for fiscal year 2011 from 350 to 200. However, USAID continues to face difficulties meeting its overall hiring targets and its targets for occupational categories. For example, in March 2010, USAID hired its first group of fiscal year 2010 new hires; however, it hired 49 of the 60 FSOs it intended to hire and did not meet its targets for certain occupational categories, including executive officers, controllers, and environment officers.

Table 3: USAID Development Leadership Initiative Hiring Numbers and Targets, Fiscal Years 2008 and 2009, as of March 2010

Occupational category	FY 2008			FY 2009		
	Target number of hires	Actual number of hires	Remaining number of hires to meet target	Target number of hires	Actual number of hires	Remaining number of hires to meet target
Agricultural development officer	0	0	0	12	14	(2)
Contract officer	0	0	0	43	41	2
Controller	12	9	3	38	20	18
Crisis, stabilization, and governance officer	31	29	2	40	47	(7)
Economist	3	3	0	12	18	(6)
Education officer	8	8	0	12	14	(2)
Engineer	0	0	0	8	7	1
Environment officer	0	0	0	10	9	1
Executive officer	2	2	0	17	17	0
Health officer	14	16	(2)	40	25	15
Legal officer	2	2	0	8	10	(2)
Private enterprise officer	14	14	0	20	39	(19)
Project/project development officer	34	34	0	40	51	(11)
Total	**120**	**117**	**3**	**300**	**312**	**(12)**

Source: GAO analysis of USAID data.

While agency officials stated that they are identifying recruitment mechanisms and plan to conduct outreach efforts to help ensure that the initiative will meet its hiring targets in the future, USAID has not developed a long-term plan outlining the specific actions it intends to undertake to meet its hiring goals. USAID's current efforts to address its hiring difficulties for the most part have been ad hoc. For example, OHR officials told us that they meet with offices and bureaus to help identify additional recruiting mechanisms, and OHR is planning to conduct outreach efforts to applicants in needed occupations. Moreover, OHR anticipates requesting another congressional waiver to carry over the

fiscal year 2010 hiring funds through March 2011. Given USAID's revision of its overall hiring targets, its continued difficulties in meeting these targets, and the lack of a plan with detailed steps to meet these targets, it is uncertain whether USAID will hire the 1,200 FSOs in the occupational categories it determines it needs by 2012 to meet the goals of the Development Leadership Initiative. We have reported that it is essential that agencies develop human capital plans that clearly describe how agencies will meet their long-term demands for skilled staff.[34] Without such a plan to guide its efforts to transform its workforce, USAID may not take full advantage of the recruitment options available to acquire the number of staff with the critical skills and competencies needed to address its human capital challenges and meet its program needs.

USAID Lacks Systematic Approach to Assigning New Hires

OHR has not undertaken a comprehensive and systematic effort to plan for the overseas on-the-job training assignments of all FSOs hired under the initiative for the duration of the program. OHR determines these overseas assignments based on missions' ability to mentor, and supervise new FSOs. OHR has recently begun to collect information from the missions to plan for these overseas assignments. In September 2008 OHR requested data from missions worldwide on how many FSOs each mission could host per fiscal year; however, this information was not regularly updated and over time OHR officials found the data to be inaccurate. In the absence of ongoing data collection with which to determine missions' long-term capacity for FSO overseas assignments, OHR officials stated that they contacted the missions on a case-by-case basis to assess their capacity to host newly hired FSOs and determine the timing of these assignments.

In November 2009, OHR requested updated information from the missions to determine the overseas assignments by FSO occupational categories and by year. However, as of March 2010, this effort had identified overseas assignments for only a portion of the FSOs to be hired under the initiative. For example, OHR has identified overseas assignments for 104 FSOs in 2010, 128 in 2011, and 42 in 2012. However, USAID planned to hire 350 FSOs under the initiative in each of fiscal years 2010 and 2011 and 80 in fiscal year 2012. Without determining the assignments of all FSOs over the duration of the initiative, USAID cannot ensure the missions will have the

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[34]GAO, *Container Security: Expansion of Key Customs Programs Will Require Greater Attention to Critical Success Factors*, GAO-03-770 (Washington, D.C.: July 25, 2003); GAO, *Energy Markets: Concerted Actions Needed by FERC to Confront Challenges That Impede Effective Oversight*, GAO-02-656 (Washington, D.C.: June 14, 2002).

capacity to provide each of the FSOs hired under the initiative with the required mentoring and supervision. During our site visits to missions we found that current assignments have posed some challenges to missions in meeting the mentoring and supervision needs of FSOs hired under the initiative. For example, according to a senior FSO supervisor in the Program Development Office in Thailand, the office hosted three newly-hired FSOs simultaneously, which made it difficult for the supervisor to mentor and supervise all three while also meeting day-to-day workload demands.

OHR officials stated they have also relied on the regional bureaus to inform the missions of the number and timing of newly hired FSOs that they are expected to accommodate. However, three missions we visited experienced repeated changes in the number and timing of FSOs expected to be assigned, which contributed to difficulties in preparing for the arrival of FSOs and ensuring adequate supervision and mentoring. For example:

- Ecuador initially indicated it had the capacity to accommodate three FSOs hired under the initiative at any one time. However, the Bureau for Latin America and the Caribbean asked the mission to host seven such FSOs— nearly twice the number of senior FSOs currently assigned to the mission, raising concerns among senior mission officials about the mission's capacity to supervise and mentor these new FSOs. The mission had not received information on the timing of these assignments, which mission officials stated has made it difficult to schedule the rotational assignments, assign supervisors, and arrange for housing.

- Peru has experienced repeated changes in the number and timing of Development Leadership Initiative assignments to the mission without prior consultation or planning with headquarters. Although the mission indicated in September 2008 it could accommodate 5 newly hired FSOs at any one time, according to mission officials, the mission has been asked to host 15 annually. OHR officials stated Peru was targeted for a larger number of assignments because it has available space, as the mission is currently undergoing construction. Nevertheless, according to a senior mission official, neither OHR nor the regional bureau have provided the mission with a clear schedule for these assignments to develop a space plan, arrange housing, and prepare for the rotational assignments.

- The regional mission in Thailand was initially asked to host 10 Development Leadership Initiative FSOs in May 2008, but the number was repeatedly revised upward, and in August 2008, the regional mission in Thailand was asked to host 50 new FSOs per year. However, at the time of our visit, only 9 senior FSOs were available to supervise; mission officials

told us they could adequately supervise and mentor only 15 such FSOs per year.

According to USAID officials, in response to complaints from the missions, OHR has begun contacting the missions in advance of making assignments to provide information about Development Leadership Initiative FSO assignments and inform the missions of the estimated arrival dates.

Missions we visited also cited concerns regarding unclear guidance about the on-the-job training experiences that newly hired FSOs should receive during their rotations among offices at the mission to successfully complete the program. USAID requires supervisors to work with newly hired FSOs to ensure they receive effective and appropriate rotations to attain required knowledge, skills, and abilities. However, according to mission officials, missions lacked guidance outlining the specific on-the-job training experiences newly hired FSOs should perform during their mission rotations. Without specific guidance, missions we visited developed their own on-the-job training programs without headquarters support, which has led to differences among missions in the types and breadth of experiences FSOs hired under the initiative. For example, mission officials in Peru and Thailand have developed an extensive on-the-job training program, which includes temporary rotational assignments with other U.S. agencies, and temporary duty assignments to other missions in the region. However, our site visits indicated that missions were not aware of other missions' on-the-job training programs in other regions. USAID officials noted that the types of on-the-job training FSOs receive will vary to account for differences in the experience levels of newly hired FSOs and the differences in the operating environments among missions. However, these officials acknowledged a need to share best practices among missions to inform them of opportunities to improve their on-the-job training programs. According to agency officials, the agency has initiated regional conferences and developed Web-based tools to share information about missions' training programs among mission officials.

Despite differences in the Development Leadership Initiative training program among missions, the agency has undertaken limited and ad hoc

evaluations of the training programs at missions.[35] The limited evaluations conducted have been mission-specific and, according to agency officials, the findings were not based on sound methodology and have not been used to develop the program. For example, an intern evaluated the training programs at the regional missions in Thailand and Egypt. In addition, the Development Leadership Initiative program administered an informal six question survey to its coordinators at the missions where FSOs hired under the initiative had been placed. While the limited and informal evaluations have revealed challenges with the overseas training program, including the lack of supervision and mentoring opportunities, OHR officials stated the agency has yet to conduct additional and more methodologically rigorous evaluations.[36] We have found that periodic evaluation of an agency's training strategy, such as the overseas on-the-job training programs developed by the missions, can help indicate whether it has been executed as intended and the extent to which it has improved the workforce's skills and competencies.[37] Furthermore, such an evaluation would provide information to agency officials about the reasons for any shortfalls in the overseas training of newly hired FSOs and the appropriate corrective actions needed to help ensure these FSOs receive adequate on-the-job training, mentoring, and supervision.

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[35]USAID conducts surveys of new-hire FSOs during the initial phases of their employment to gauge the quality of their experience in Washington. For example, OHR surveys members of each FSO class during their orientation at headquarters and 90 days after they enter on duty to evaluate their experiences during their first months with the agency. According to USAID officials, the results of these evaluations have led to successive improvements in the orientation sessions and other aspects of newly-hired FSOs' initial experiences in Washington.

[36]According to OHR officials, OHR is currently developing an evaluation to assess the new-hire FSOs' training experiences at the missions, which it plans to administer by the end of 2010.

[37]GAO-04-39.

GAO-10-496 Foreign Assistance

USAID Faces Several Challenges and Constraints That Affect Its Workforce Planning and Management

USAID operates in an evolving and often uncertain overseas environment and faces some limitations and challenges in its strategic workforce planning efforts. First, the agency lacks a sufficiently reliable and comprehensive system to record the number, location, and occupation of USAID's staff. Second, missions identify their human resource needs through the annual budget planning processes, but mission officials indicated that missions experience shifts in program activities between when they identify their human resource needs and receive funding, making it difficult to ensure they have the staff available with the necessary skills to meet program needs. Third, the processes the agency must use to plan for the placement of staff at the overseas locations where it determines they are needed requires coordination with State, but USAID has not consistently developed and shared its comprehensive plans for these assignments.

USAID Lacks Sufficiently Reliable and Comprehensive Data on Its Staff

USAID lacks sufficiently reliable and comprehensive data on its entire staff, which constrains the agency's ability to develop an effective workforce planning and management system.[38] Effective workforce planning and management require that human capital staff and other managers base their workforce analyses and decisions on complete, valid, and reliable personnel data.[39] However, our review of USAID's staffing data and discussions with USAID officials responsible for recording and maintaining the agency's staffing data confirmed that the systems USAID uses to collect and track data on its staff are not sufficiently reliable.

- USAID's systems for collecting staff data are not comprehensive and do not include all employees who support agency operations. For example, USAID has had no system in place to regularly collect data on non-

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[38]USAID primarily uses two systems to collect and record data on its staff. The first, the WebPass Post Personnel system, is a State-managed application which USAID adopted in 2007 to record the number, location, position, and grade of its overseas nondirect-hire staff, including foreign service national personal services contractors. The second system, the National Finance Center's database, is used to record the number, location, and grade of USAID's direct-hire workforce and, as of February 2010, U.S. personal services contractors. According to OHR officials, OHR is able to use the National Finance Center's database to help validate U.S. direct-hire and U.S. personal services contractor data reported in the WebPass Post Personnel system.

[39]GAO-02-373SP.

personal services contractor staff[40]—known as institutional support contractors—which USAID estimates are 40 percent of USAID's total headquarters staff.[41]

- USAID has had no systematic process to independently validate and verify the staffing data it collects. Human resource staff in each mission verify staffing data by sending a signed attestation to USAID headquarters once a year in March stating that the data are accurate. However, until recently USAID headquarters staff did not collect the data to which the missions attest or run independent checks of the accuracy of missions' reported data.[42] Errors in the staffing data are generally identified when State or USAID offices use the staffing data and headquarters staff must contact the missions to correct any erroneous data.
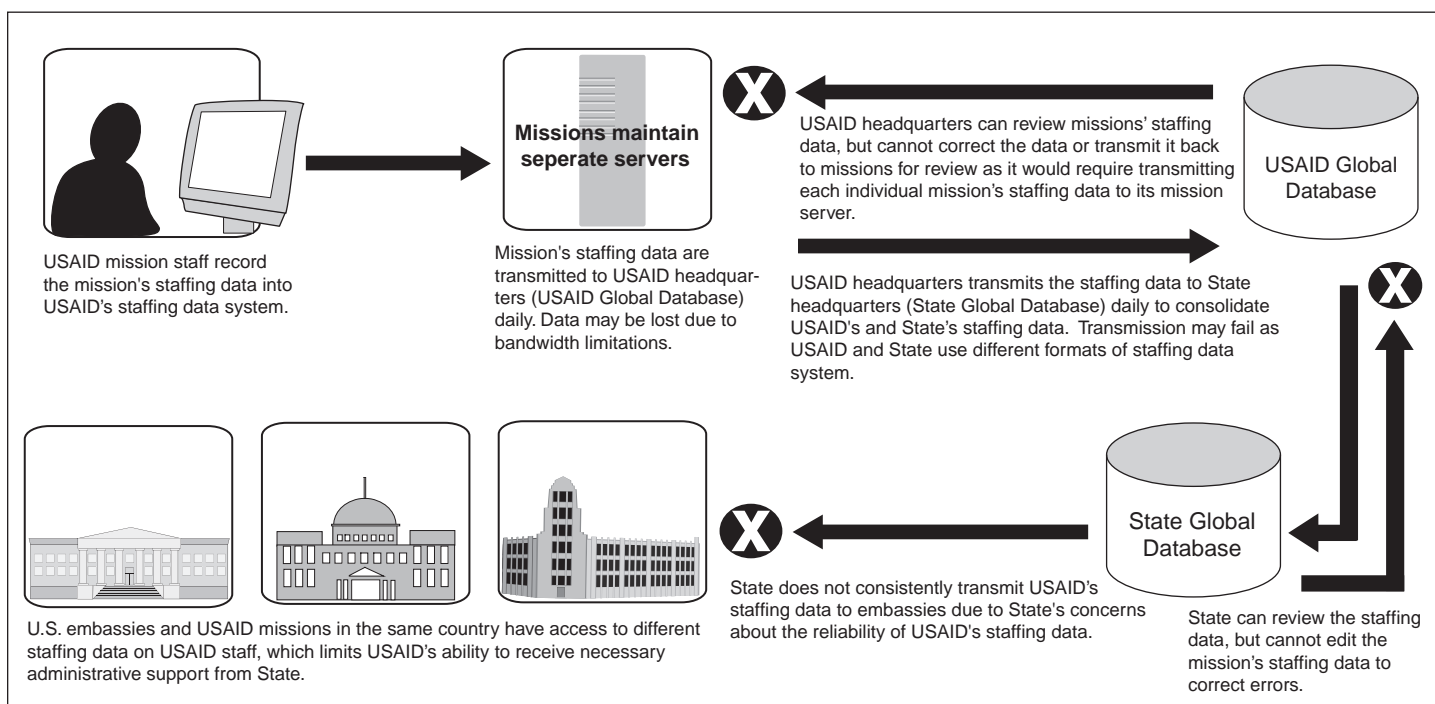
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[40]USAID defines institutional support contractor as "a non-personal services contractor, funded by USAID to support Agency operations and/or to augment the Agency's direct hire and personal services staff. Personnel employed by an Institutional Support Contractor may be seated within USAID space, space rented by or on behalf of the Agency, or in the Institutional Support Contractor's space. Institutional Support Contractors may be funded by either program or operating expense." While the majority of these individuals provide administrative and information technology support to the agency, some personnel employed by non-personal services contractors in headquarters provide program-related support.

[41]Although the agency collected data on headquarters-based institutional contractor staff once in 2006 and again in August 2009, these data collection efforts have not been systematic. In March 2010, USAID developed draft standard operating procedures to regularly record information on these staff. We recently reported that USAID had not included non-personal service contractor staff who are not based in USAID's headquarters in workforce planning efforts related to the extent to which contractors should be used. See GAO, *Contingency Contracting: Improvements Needed in Management of Contractors Supporting Contract and Grant Administration in Iraq and Afghanistan*, GAO-10-357 (Washington, D.C.: Apr. 12, 2010).

[42]OHR recently added a staff person responsible for identifying data entry errors. With the additional staff, since November 2009, OHR has begun to collect and review the data to which missions attest.

- The transmission of the staffing data within and between USAID and State leads to inaccuracies in the data.[43] See figure 5 for an overview of the staffing data transmission process.

Figure 5: Overview of the Process and Challenges of Transmitting USAID's Overseas Staffing Data

USAID mission staff record the mission's staffing data into USAID's staffing data system.

Missions maintain seperate servers

Mission's staffing data are transmitted to USAID headquarters (USAID Global Database) daily. Data may be lost due to bandwidth limitations.

USAID headquarters can review missions' staffing data, but cannot correct the data or transmit it back to missions for review as it would require transmitting each individual mission's staffing data to its mission server.

USAID Global Database

USAID headquarters transmits the staffing data to State headquarters (State Global Database) daily to consolidate USAID's and State's staffing data. Transmission may fail as USAID and State use different formats of staffing data system.

U.S. embassies and USAID missions in the same country have access to different staffing data on USAID staff, which limits USAID's ability to receive necessary administrative support from State.

State does not consistently transmit USAID's staffing data to embassies due to State's concerns about the reliability of USAID's staffing data.

State Global Database

State can review the staffing data, but cannot edit the mission's staffing data to correct errors.

Source: USAID, Art Explosion.

[43]USAID and State consolidate staffing data to enable State to carry out its administrative responsibilities towards USAID including approving USAID positions and providing space for USAID staff in locations where USAID and State share a location. In October 2009 State's Bureau of Human Resources issued a white paper outlining the problems with USAID's implementation of part of its staffing data system, such as USAID's use of the system solely as a data reporting mechanism rather than its intended use as a system for recording personnel actions, and recommending specific steps that USAID might take to correct the problems. In January 2010, OHR officials met with State's Office of Human Resources to discuss the problems with the staffing data system and USAID's data requirements. Further meetings between State and USAID are planned to discuss potential solutions. In addition, OHR recently hired an information technology specialist to review the development of an information technology strategy for the agency.

Our review of USAID's staffing data and interviews with officials at missions we visited identified inaccuracies in the staffing data. For example:

- In Peru, the organizational unit for 30 of the 105 staff at the USAID mission was incorrectly identified. For example, the staffing data show no staff in the mission's health program while the mission indicated nine staff work on the mission's health activities.

- In Cambodia, a vacancy for supervisory executive officer was erroneously listed due to repeated listing of the same position. The mission's staffing data show two supervisory executive officer positions—one filled by the current supervisory executive officer and the second position vacant.

- In the regional mission in Thailand occupied positions were incorrectly identified as vacant. Two positions, one for the supervisory general development officer and the second for the public health and nutrition officer, are both shown as vacant when the positions were filled 10 months earlier.

- In Rwanda, vacant positions were incorrectly listed as filled. For example, the supervisory health development officer position was vacant for several months while the staffing data listed the position as occupied.

In the absence of an agencywide system for collecting accurate staffing data, USAID staff in missions and at some headquarters units develop their own independent systems to record staffing data. In all six missions that we visited, officials established their own mission-specific system to track data on their staff. USAID officials in Peru and Thailand noted that these mission-specific systems are developed without guidance from USAID headquarters and the data that they generate are not verified by headquarters staff; however, USAID officials in the missions indicated that the staffing data from these mission-specific systems are used to respond to workforce questions from headquarters staff. In addition, headquarters officials in three regional bureaus stated that they develop their own systems to track data on staff in the missions in their regions. Each region explained they developed their regional staffing data system independently and had no process to verify the accuracy of the data beyond contacting missions. OHR officials stated they are aware that many missions have developed their own mission-specific systems to track their staff and respond to workforce questions from headquarters staff. These officials indicated the agency plans to take steps to improve mission-reported data, including conducting an assessment by the end of
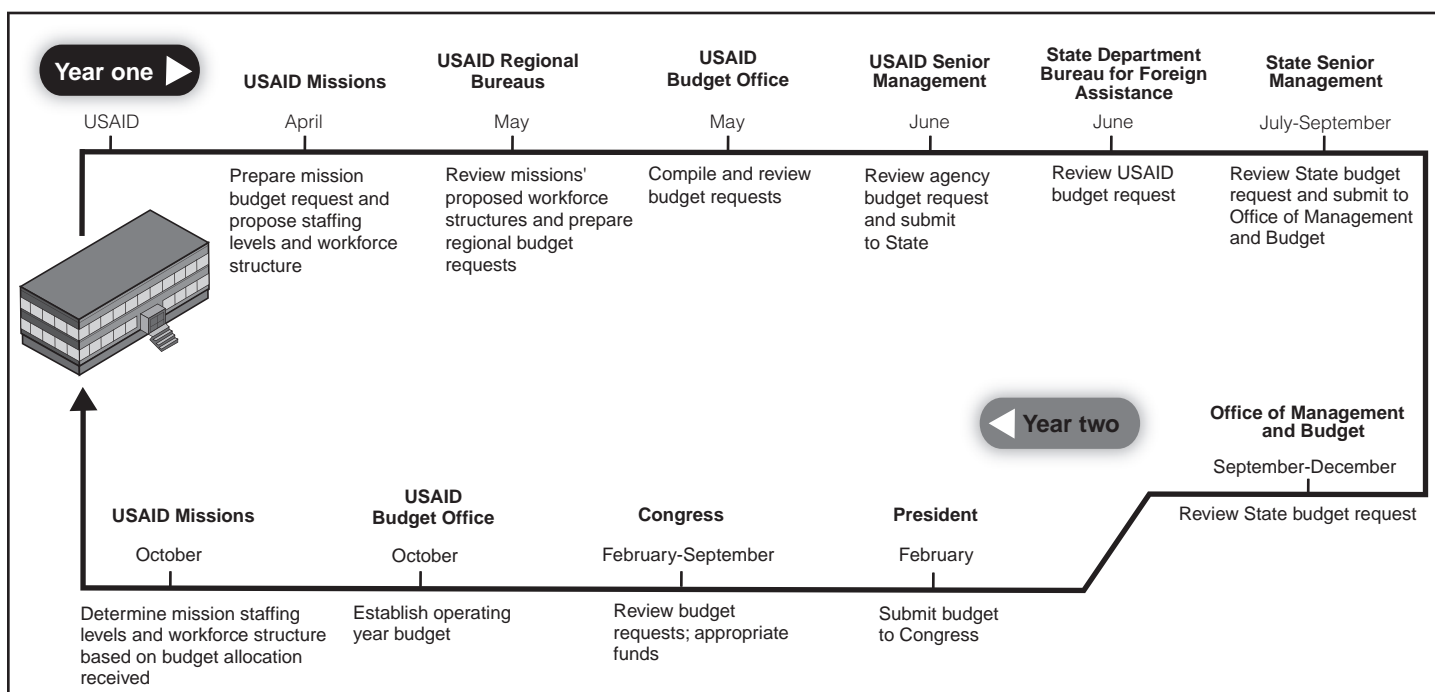
fiscal year 2010 to determine whether the current system the missions use to track staff sufficiently supports their needs.

Without accurate data on its entire staff, USAID is limited in its ability to implement human capital initiatives, and hampered in its ability to receive necessary administrative support from State for mission operations including rightsizing reviews, annual capital cost sharing determinations, and space planning. For example, discrepancies in the number of approved positions between State's staffing data on USAID and USAID's staffing data led State's Ambassador in Ecuador to delay approval of USAID's request for two new trainee positions at the mission. In addition, the staffing data systems created a number of challenges for the regional mission in Thailand, including inaccurate data used by State in determining the number of USAID desk spaces in the mission and miscommunication with the embassy on the number of approved positions and the specific occupation of the mission's staff. Mission staff addressed some of these problems by working directly with U.S. embassy staff to input correct data on the mission's staff into State's staffing data system; however, mission officials noted that this is a time-consuming process for both USAID and U.S. embassy staff.

Missions Face Challenges in Workforce Planning for Unexpected Program Shifts

The process that USAID missions use to identify their human resource needs in an uncertain operating environment limits their ability to ensure that staff with the needed skills are available in a timely manner to respond to unexpected shifts in program activities. USAID missions plan their mission specific human capital needs through the annual budget planning processes. The resulting resource plans have a 1½-year lag from the missions' initial budget and staffing requests to when missions can determine mission staffing levels based on the budget allocation received (see fig. 6). USAID officials at the missions we visited reported that during this lag period the missions often experience unexpected shifts in program activities due, in part, to the uncertain foreign policy environment in which they operate. These shifts can produce changes in the needed composition of the workforce and create difficulties for USAID missions to ensure that they have staff available with the necessary skills to meet program needs.
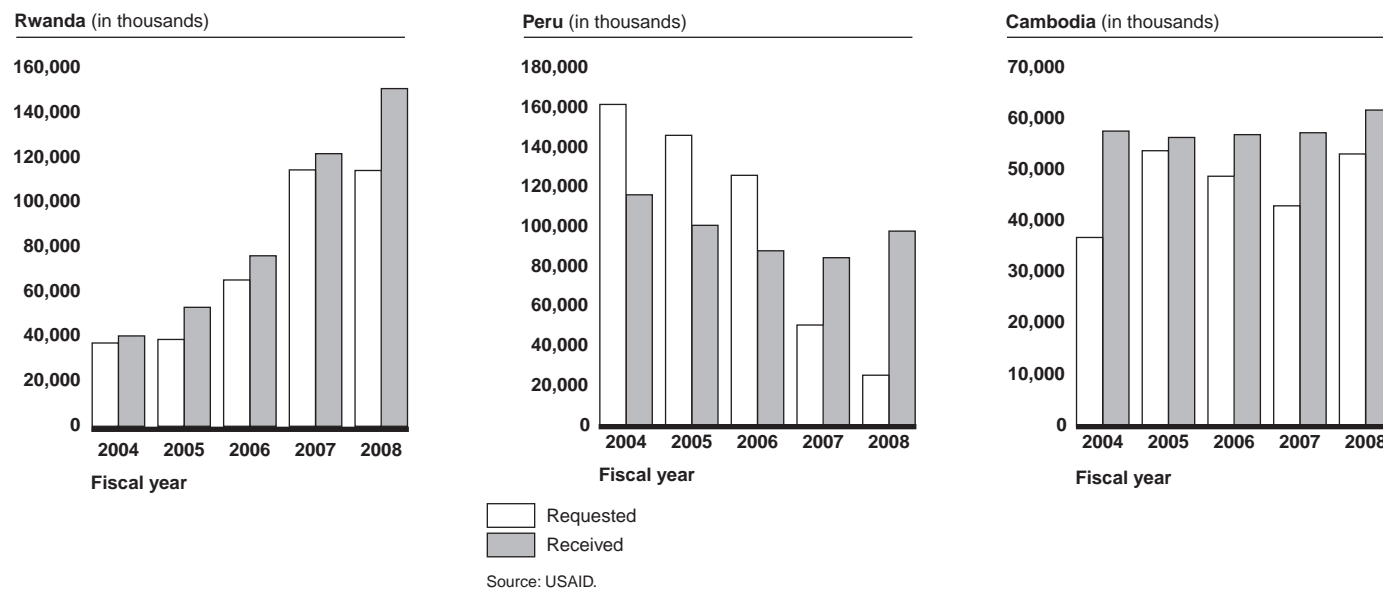
Figure 6: Overview of USAID's Budget Planning Process

	USAID Missions	USAID Regional Bureaus	USAID Budget Office	USAID Senior Management	State Department Bureau for Foreign Assistance	State Senior Management
Year one ▶						
USAID	April	May	May	June	June	July-September
	Prepare mission budget request and propose staffing levels and workforce structure	Review missions' proposed workforce structures and prepare regional budget requests	Compile and review budget requests	Review agency budget request and submit to State	Review USAID budget request	Review State budget request and submit to Office of Management and Budget

◀ Year two

Office of Management and Budget

September-December

Review State budget request

	USAID Missions	USAID Budget Office	Congress	President
	October	October	February-September	February
	Determine mission staffing levels and workforce structure based on budget allocation received	Establish operating year budget	Review budget requests; appropriate funds	Submit budget to Congress

Source: USAID, Art Explosion.

In five of the six missions we visited, mission officials indicated that they experience significant shifts in programming activities between when they planned their human capital needs and received funds, limiting their ability to ensure staff with the needed skills are available in a timely manner to implement program activities. For example, following the approval of Rwanda as a Millennium Challenge Corporation Threshold Program Country in July 2009, the USAID mission received an additional $25 million in funding, which was not taken into account in the mission's resource planning. The mission currently has one acquisition and assistance specialist who is responsible for overseeing this new program in addition to continued responsibility for the mission's agriculture and global health contracts. The mission director noted that the mission hopes to add an additional contract officer, but the mission is unsure if the position will be created within the 3-year period that the Millennium Challenge Corporation Threshold Program must be administered. Figure 7 illustrates the difference between the projected and received annual program funding for three of the missions we visited.

Figure 7: Comparison of Projected and Received Program Funding for Selected Missions, Fiscal Year 2004 through Fiscal Year 2008

Rwanda (in thousands)

Peru (in thousands)

Cambodia (in thousands)

Fiscal year

☐ Requested
▨ Received

Source: USAID.

Planning for the Placement of Overseas Staff Involves Coordination with State

Once USAID determines the locations and timing of staff assignments overseas according to program needs, it must coordinate with State to plan for such assignments, particularly for FSOs. Chiefs of Mission for each country are responsible for approving all new USAID positions in the mission as well as modifications in the type and nature of existing positions within the country to align the number and location of staff assigned overseas with foreign policy priorities, security, and other concerns.[44] USAID missions individually negotiate with embassy officials for approval of positions within their country. While Chiefs of Mission were asked in a May 2009 cable to support USAID in creating overseas staff positions when they are approached by USAID, State guidance instructs embassy officials to continue the long-standing U.S. government policy of "maintaining lean staffing abroad for reasons of foreign policy,

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[44]The Chief of Mission is responsible for the security and safety of every U.S. government and foreign national employee at the mission. The precise staffing structure of a mission is determined by the Chief of Mission through the National Security Decision Directive 38 (NSDD-38) process, which provides authority for the Chief of Mission to determine the size, composition, or mandate of personnel operating at the mission. Agencies submit their NSDD-38 requests to Chiefs of Mission for approval of any proposed changes in agencies' staffing at post.

security, and economy."[45] As a result, this process for determining the number and location of USAID's overseas staff may result in a different number and mix of staff at an overseas mission than what USAID projected were needed to carry out program objectives.

USAID mission officials indicated that embassy approval for new or existing positions is based in part on USAID's presentation of long-range staffing plans that articulate the impact of additional positions on embassy's provision of administrative services, space management, and the development assistance activities in the country. However, USAID has not consistently communicated such plans for the number and specific location of its needed additional permanent or trainee positions to overseas embassies or USAID missions. Missions indicated they have experienced challenges in securing approvals for new trainee positions under the Development Leadership Initiative. For example:

- The Chief of Mission in Cambodia rejected a request for two new trainee positions due to concerns that vacancies in the USAID mission's senior staff first needed to be filled to provide an adequate training environment.

- Embassy officials in Peru indicated that they would approve nine new trainee positions contingent upon USAID approving four additional staff to provide administrative, training, and mentoring support for these new trainee positions.

- The embassy in Ecuador approved an initial three requested trainee positions for USAID but indicated it would not approve the additional five trainee positions USAID headquarters requested out of concern over the U.S. embassy's ability to provide the additional administrative support.

Given the agency's plans to double its FSO staff under the Development Leadership Initiative, USAID will increasingly rely on the Chiefs of Mission to approve the creation of trainee positions at each mission as well as the resulting permanent positions following the completion of the training program.

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[45]Embassy officials consider several factors in evaluating requests to add additional positions or modify existing positions, including the extent to which the positions fit with the post's goals and objectives; whether the agency agrees to pay all administrative costs of the positions; post's ability to provide security; and availability of office and residential space.

In addition, in those missions where USAID is co-located with the U.S. embassy, State is responsible for providing the office space necessary to accommodate USAID's staff; therefore, USAID must coordinate its space planning with State at these missions.[46] USAID plans to meet its additional office space requirements at co-located missions worldwide through a combination of reconfiguring existing space, leasing facilities, and constructing new space. Our analysis of USAID's and State's separate projections of the additional desks required by USAID by fiscal year 2012 revealed differences between the two agencies' projections in 49 of the 56 missions where USAID and State are currently co-located. USAID currently estimates it will need office space for an additional 1,475 desks by fiscal year 2012 in the missions where USAID is co-located with a U.S. embassy to accommodate the growth in its Foreign Service. In contrast, State estimates that USAID will need an additional 1,225 desks at co-located missions by fiscal year 2012. USAID and State officials stated that they regularly meet to reconcile differences between the two agencies' estimates of USAID's permanent space needs. During these discussions, according to State officials, USAID has regularly revised its original estimates of the number of desks it requires after seeking input from mission officials about their missions' space needs. Moreover, according to State officials, these revisions often occur in less than the 2-year time frame State generally requires to plan for construction and in some cases after construction has begun, causing cost increases and significant project delays. As a result, USAID is not assured that State will be able to provide it with the office space needed for additional desks in the required locations within the time frame specified. Furthermore, USAID cannot be assured it will receive embassy approval for the additional positions it determines it needs at co-located missions requiring an expansion of office space.

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[46]The Secure Embassy Construction and Counterterrorism Act of 1999 requires the Secretary of State, in selecting sites for new U.S. diplomatic facilities abroad, to ensure that all U.S. government personnel (except those under the command of an area military commander) under embassy official's authority be located on one site. USAID is currently co-located with State in 56 of its 89 sites with additional missions to be co-located as facilities are constructed.

Conclusion

USAID's growth in program funding and shifts in foreign assistance require a sufficient workforce that is capable, flexible, and properly trained. USAID's staffing model and Foreign Service hiring initiatives are positive steps toward creating a workforce to effectively meet program goals and needs. However, the agency has undertaken limited planning to implement each of these initiatives, and these initiatives do not take into account the agency's comprehensive workforce needs. USAID acknowledges it needs to expand these current efforts and has generally identified its workforce constraints and needed actions, but it has not yet determined the specific actions it must take to more fully identify its workforce gaps and address its comprehensive workforce needs. Moreover, without documented implementation actions for each of its current initiatives, including the steps the agency plans to take to ensure stakeholder participation in the agency's workforce planning processes and determine the assignment of new staff to missions best suited to meet their training needs, USAID will not be able to ensure that the initiatives' goals will be met. In addition, USAID must evaluate the extent to which each of the initiatives are helping to build and maintain the workforce required to meet its current and future program needs and goals.

Even if its current workforce model and hiring initiatives are fully implemented, USAID must develop and implement a workforce plan in line with strategic workforce planning principles. Such planning would allow USAID to fully assess its comprehensive workforce requirements to help ensure it has the staff needed to adequately meet existing and emergent program demands. Furthermore, such planning would allow the agency to determine whether its current efforts are appropriately prioritized and sufficient. While USAID has made progress in broadening the focus of its workforce plan to include its direct-hire civil service workforce, for instance, these efforts do not fully include all segments of its workforce or all stakeholders. To develop a strategic workforce plan, USAID needs to incorporate elements of effective planning, such as conducting an analysis of comprehensive workforce gaps and fully including key stakeholders in the agency's workforce planning processes. Further, USAID has not collected and maintained reliable and comprehensive data on its entire direct-hire and nondirect-hire workforce to fully identify its workforce needs and gaps. Until USAID improves its strategic workforce planning, the agency will continue to be at risk of not deploying a workforce with the right skills, to the right places, at the right time to support current and future foreign assistance program needs and goals.

Recommendations for Executive Action

To improve USAID's capacity to effectively and strategically plan and manage its entire workforce, we recommend that the Administrator of USAID implement the following four actions:

- Develop a comprehensive workforce plan that takes into account USAID's total workforce, including nondirect-hire staff. The workforce plan should include analysis of overall workforce and competency gaps and the steps the agency plans to take to address these gaps.

- Develop a documented implementation plan with time frames to execute the agency's workforce planning model initiative. The plan should include steps to be taken to provide comprehensive information about the model and its projections to all missions to help ensure that the staffing projections are reasonable and that missions are informed of how the model will affect their workforce planning.

- Develop a documented, comprehensive implementation plan to execute USAID's initiative for the hiring of new Foreign Service officers. The implementation plan should include elements such as time frames, implementation actions, and resource requirements, and specify

  - the steps to be taken to meet the agency's overall hiring goals and its targets for specific occupational categories, and

  - a process for determining the number, location, and time frames for additional newly hired trainee staff assigned to each overseas mission.

- Develop a workforce data system to consistently collect, maintain, and analyze sufficiently reliable and up-to-date data on the staff levels of direct hire and nondirect-hire staff, including institutional support contractors.

Agency Comments
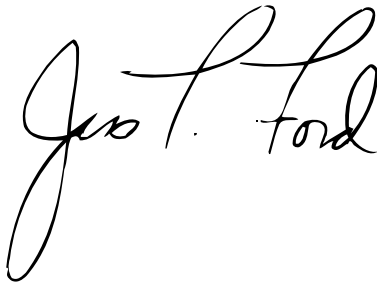
We received written comments from USAID, which are reprinted in appendix II. USAID concurred with our findings and recommendations and noted that it will incorporate our recommendations into its ongoing plans to improve strategic planning and workforce management in support of the agency's development and humanitarian programs. USAID provided additional information and observations on implementing our recommendations. For example, USAID stated that it is developing a comprehensive, automated competency management system, which it hopes to have completely operational by fiscal year 2013, as well as implementation plans for overseas staffing requirements. Further, USAID recognizes that reliable staffing data is a pressing need. To this end, USAID stated that its goal is to create an integrated platform to support

worldwide workforce analyses, hiring and deployment, and budget formulation. USAID noted that, while this undertaking will take several years to complete, it plans to improve the reliability of the systems currently used to track its workforce data.

State received a draft of the report but did not provide formal comments. Both State and USAID provided technical comments, which we have incorporated in the report, as appropriate.

We are sending copies of this report to the Administrator of the U.S. Agency for International Development, the Secretary of State, and other interested parties. In addition, the report will be available at no charge on the GAO Web site at http://www.gao.gov.

If you or your staff have any questions concerning this report, please contact me at (202) 512-4268. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix III.

Jess T. Ford
Director
International Affairs and Trade

Appendix I: Objectives, Scope, and Methodology

Our objectives were to assess the changes in the United States Agency for International Development's (USAID) workforce and program funding since 2004, the extent to which USAID has developed a strategic workforce plan, the efforts USAID has taken to implement two primary human capital initiatives, and the challenges and constraints that affect USAID's workforce planning and management.

To examine changes to USAID's workforce and program funding since 2004, we reviewed prior assessments of USAID's workforce planning and management by USAID Office of Inspector General and GAO.[1] We analyzed USAID data on headquarters and overseas personnel generated by USAID headquarters from 2004 to 2009, and interviewed USAID officials and reviewed documentation on the procedures for producing these data, including agency guidance on collecting the data, to determine the reliability of these data. We have assessed these data as part of our previous and ongoing work and have determined that they are sufficiently reliable to identify aggregate workforce trends over time; although, for other purposes, we found limitations to the reliability of USAID headquarters data on the agency's headquarters and overseas personnel, as discussed in this report. In addition, we obtained and analyzed Department of State (State) data on USAID-managed total program funding levels from 2004 to 2009. We interviewed State officials responsible for maintaining the data to determine the reliability of these data. We found the data sufficiently reliable for the purposes of identifying aggregate program funding trends over time. To report the challenges USAID faces in managing foreign assistance programs, we interviewed knowledgeable USAID officials in Washington, D.C., and at the six overseas missions selected for our fieldwork. When available, we obtained and reviewed supporting documentation, such as mission workforce plans, and mission-generated data on personnel and program funding levels from 2004 to 2009.

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[1]GAO, *Foreign Assistance: Strategic Workforce Planning Can Help USAID Address Current and Future Challenges*, GAO-03-946 (Washington, D.C.: Aug. 22, 2003); GAO, *USAID Acquisition and Assistance: Actions Needed to Develop and Implement a Strategic Workforce Plan*, GAO-08-1059 (Washington, D.C.: Sept. 26, 2008); USAID Office of Inspector General, *Audit of USAID's Human Capital Strategy*, Audit Report Number 9-000-05-003-P (Washington, D.C.: Jan. 11, 2005); and USAID Office of Inspector General, *Audit of Workforce Planning for Procurement Officers*, Audit Report Number 9-000-03-001-P (Washington, D.C.: Nov. 13, 2002).

To examine the extent to which USAID has developed a strategic
workforce plan, we used GAO guidance on human capital management[2]
and effective strategic workforce planning.[3] We also reviewed USAID
documentation and interviewed knowledgeable officials from the Office of
Human Resources and at each of the six missions selected for site visits.
Documentation included the USAID Five-year Workforce Plan, Fiscal
Years 2009-2013 and Fiscal Years 2010-2014; Human Capital Strategic Plan;
and Fiscal Year 2007 and 2008 Human Capital Management reports, and
documentation related to the agency's efforts to identify competencies and
conduct competency assessments.

To review the efforts USAID has taken to implement two primary human
capital initiatives outlined in its fiscal years 2009-2013 workforce plan, we
reviewed (1) documentation on the elements and use of the agency's
Consolidated Workforce Planning Model and (2) guidance, evaluations,
and data on actual and targeted hiring related to the Development
Leadership Initiative. In addition, we interviewed officials at headquarters,
including representatives of the Office of Human Resources and the
functional and regional bureaus, and mission officials at the six missions
selected for site visits. During each of these interviews we requested
information regarding stakeholder involvement in the development and
implementation of the agency's workforce planning model and the efforts
made to hire and train Foreign Service Officers under the Development
Leadership Initiative.

To determine the challenges USAID faces in developing and implementing
a workforce plan, we interviewed USAID and State officials, analyzed
USAID's personnel data and the systems used to collect these data, and
reviewed relevant documentation. We interviewed officials from USAID's
Office of Human Resources and the Office of Legislative and Public
Affairs, as well as other USAID offices and bureaus in Washington, D.C. In
addition, we interviewed officials within State's Office of the Director of
Foreign Assistance, Office of Overseas Building Operations, and the Office
of Management Policy, Rightsizing, and Innovation in Washington, D.C. We
also interviewed USAID and State officials at the six overseas missions we
selected for site visits. During each of these interviews, we obtained

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[2]GAO, *A Model of Strategic Human Capital Management*, GAO-02-373SP (Washington,
D.C.: Mar. 15, 2002).

[3]GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*,
GAO-04-39 (Washington, D.C.: Dec. 11, 2003).

officials' views on the challenges to workforce planning. We assessed the
reliability of the agency's personnel data by analyzing data on
headquarters and overseas personnel from 2004 to 2009 and reviewing
documentation on the processes used to collect these data. We also
obtained and reviewed documented examples of data inaccuracies
identified by agency officials. In addition, we compared headquarters
personnel data with staffing information we obtained from overseas
missions we selected for site visits. We also interviewed USAID and State
officials responsible for collecting these data to obtain information on the
limitations of the data and the challenges the agency faces in collecting
these data. We found limitations to the reliability of the agency's personnel
data, which we note in the report. To report on the challenges related to
the overseas assignment of staff and space planning at overseas missions,
we obtained and reviewed USAID and State data on USAID's office space
needs by mission for fiscal year 2012 and reviewed reports on overseas
space planning.

We conducted fieldwork at USAID missions in six countries—Cambodia,
Ecuador, Kenya, Peru, Rwanda, and Thailand. We selected a
nonprobability sample of countries designed to account for geographic
diversity and variations in program funding and workforce levels. We did
not select locations to be able to generalize findings to all missions, but
rather to obtain a mix of geographic coverage, programs, and workforce
size and composition. To account for geographic diversity and differences
in the functions of bilateral and regional missions, we selected one field
mission and one regional mission located in each of three different USAID
regions—Africa, Asia, and Latin America and the Caribbean. We analyzed
fiscal year 2009 program funding data by region and mission to account for
variation in program funding levels across USAID regions and missions. In
addition, we analyzed USAID-reported personnel data by mission to
account for differences in the size and composition of missions'
workforce. In each of these countries we met with USAID officials and
reviewed data and documentation related to workforce planning and
management. In some of these countries, we also met with non-
governmental organizations that implement activities for USAID under
grants and contracts. Although the findings from our fieldwork in each
country are not generalizable to the population of USAID missions, we
determined that the selection of these countries and the activities
reviewed were appropriate for our objectives. Although USAID faces
workforce planning challenges in the critical priority countries of Iraq,
Afghanistan, Pakistan, and Sudan, we did not include these countries in
the scope of our selection of site visit missions. Given the size and the
growth of these missions' workforce and program funding since 2004 and

the likelihood these missions will maintain their priority in terms of
workforce and program funding allocations, this report focused on those
missions that have important roles in U.S. foreign assistance, yet may not
receive the same management attention and priority.

We conducted this performance audit from February 2009 until June 2010
in accordance with generally accepted government auditing standards.
Those standards require that we plan and perform the audit to obtain
sufficient, appropriate evidence to provide a reasonable basis for our
findings and conclusions based on our audit objectives. We believe that
the evidence obtained provides a reasonable basis for our findings and
conclusions based on our audit objectives.

USAID
FROM THE AMERICAN PEOPLE   JUN 1 6 2010

Jess T. Ford
Director, International Affairs and Trade
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Ford:

     I am pleased to provide the U.S. Agency for International Development's
(USAID) formal response to the GAO draft report entitled: "USAID Needs to
Improve Its Strategic Planning to Address Current and Future Workforce Needs"
(GAO-10-496).

     I want to again commend your team for their insightful and useful analysis
of the complex challenges of workforce planning and execution of a Human
Capital strategy for USAID.

     USAID concurs with the major findings and recommendations. We will
incorporate action on your recommendations into our ongoing efforts to improve
strategic planning and management of the workforce in support of the Agency's
development and humanitarian programs abroad, and most specifically to build the
capacity of countries to meet basic needs and address complex challenges, such as
the food crisis, climate change, improving global health. Additional clarification
has been provided in the enclosure.

     Thank you for the opportunity to respond to the GAO draft report and for the
courtesies extended by your staff in the conduct of this audit review.

                          Sincerely,

                          Drew W. Luten
                          Senior Deputy Assistant Administrator
                          Bureau for Management

Enclosure: a/s

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USAID COMMENTS ON GAO DRAFT REPORT No. GAO-10-496

USAID is committed to managing our human resources in a way that will enable
us to have the right people in the right places with the right skills at the right time
to achieve USAID's mission. The Report's findings and recommendations will
enhance our ongoing effort to grow and manage our workforce, in the U.S. and
abroad, strategically.

Recommendation 1: Develop a comprehensive workforce plan that takes into
account USAID's total workforce, including nondirect-hire staff. The workforce
plan should include analysis of overall workforce and competency gaps and the
steps the agency plans to take to address these gaps.

USAID Comment: USAID concurs. The rapidly changing international
environment and resulting shifts in U.S. government priorities for foreign
assistance pose significant challenges to workforce planning and execution,
especially given the complexities of the federal hiring process. USAID continues
to refine its Five-Year Workforce Plan, and specifically the consolidated workforce
planning model, to incorporate all categories of employees. Mission Directors,
senior Bureau managers, and other key staff have been briefed on the model and
are increasingly engaged in its refinement. The workforce planning model is also
being used as the basis for hiring through the Development Leadership Initiative,
and to inform strategic growth and deployment of the workforce, and decisions on
new Agency investments in training. USAID is now "rolling out" a
comprehensive, automated Competency Management System, including an
electronic Individual Development Plan that will link the competency assessment
tool to USAID's training catalog, facilitating supervisor and employee
conversations about career development. Given technical system requirements, the
need for training users, and the resources available, our goal is to have the
complete competency management system operations by FY 2013.

Recommendation 2: Develop a documented implementation plan with
timeframes to execute the agency's workforce planning model initiative. The plan
should include steps to be taken to provide comprehensive information about the
model and its projection to all missions to help ensure that the staffing projections
are reasonable and that missions are informed of how the model will affect their
workforce planning.

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Recommendation 3: Develop a documented, comprehensive implementation plan to execute USAID'S initiative for the hiring of new Foreign Service officers. The implementation plan should include elements such as timeframes, implementation actions, and resource requirements, and specify

- the steps to be taken to meet the agency's overall hiring goals and its target for specific occupational categories, and
- A process for determining the number, location, and timeframes for additional newly hired trainee staff assigned to each overseas missions.

USAID Comments: USAID concurs with recommendations 2 and 3. We are developing a Tactical Staffing Implementation Plan that will lay out the process for deciding how we will incrementally move from where we are today, to where we need to be in the future. This plan will include a process for better linking our overseas staffing requirements to State's biennial Mission categorization exercise, as well as to capital investment decision-making (i.e., overseas construction). USAID will further expand the effort began in 2009 to ensure Mission managers and senior headquarters staff understand and contribute to further refinements of the consolidated workforce planning model and to development of the implementation plan for the phased growth in overseas presence and the deployment of newly hired staff to each overseas mission.

Recommendation 4: Develop a workforce data system to consistently collect, maintain, and analyze sufficiently reliable and up-to-date data on the staff levels of direct hire and nondirect-hire staff, including institutional support contractors.

USAID Comment: Developing a strong Human Resources Information System (HRIS) with reliable data on staffing is a pressing need for USAID. Our goal is to create an integrated platform that supports world-wide workforce analyses, hiring and deployment, and budget formulation. This will take several years to complete, and will be accomplished as part of USAID's effort to comply with OPM guidance and regulations on migration to Shared Service Centers. In the interim, USAID is working to improve the reliability and inter-operability of three systems currently used to track workforce data: web-Pass, NFC, and webTA.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Jess Ford (202) 512-4268 or fordj@gao.gov

Staff Acknowledgments

In addition to the individual named above, Audrey Solis, Assistant Director; Mason Calhoun; Joseph Carney; Virginia Chanley; Mark Dowling; Joel Grossman; Bradley Hunt; and Patricia MacWilliams made key contributions to this report. Robert Alarapon, Doug Cole, Etana Finkler, Cheron Green, Drew Lindsey, and Ryan Vaughan provided technical assistance.